

The NATIONAL UNDERWRITER

Life Insurance Edition



FAR-SEEING COVERAGE . . .

This indeed is what you offer your prospects when you specify UM'S brand-new EXECUTIVE POLICY. Here permanent low-cost protection in economical units of \$5,000 or more, combines with any one of three valuable conversion privileges to allow your client to shape his insurance program to best advantage in later life. At Age 55 the happy owner of UM'S EXECUTIVE POLICY can select: (1) life paid up at 65 . . . (2) endowment at 65 . . . (3) annuity at 65—depending upon his circumstances and the size of the additional premium deposit he may wish to make. It's as simple as 1-2-3—and as easy to sell. Answering your question, UM'S EXECUTIVE POLICY is available up to 500% mortality.

A WISE BUY!

Sample Illustration

UM'S EXECUTIVE POLICY

\$10,000 — Age 35

	10 years	20 years	Age 65
Premiums	\$2,570	\$5,140	\$7,710
Cash Value plus Accumulated Dividends*	2,100	5,250	8,850
Net Cost	\$ 470		
Net Profit		\$ 110	\$1,140

* Dividends on current scale and accumulated at the currently allowed rate of 3% compound interest. While dividends are not guaranteed, the Union Mutual has paid dividends every year since 1850.

Underwritten by

UNION MUTUAL LIFE INSURANCE COMPANY
OF PORTLAND, MAINE
Canadian Head Office — Montreal, P. Q.

America's Eighth Oldest Life Insurance Company.
Rolland E. Irish, President • John R. Carnochan, Vice President
in Charge of Agencies.

LIFE UNDERWRITERS SINCE 1848

FRIDAY, FEBRUARY 24, 1956



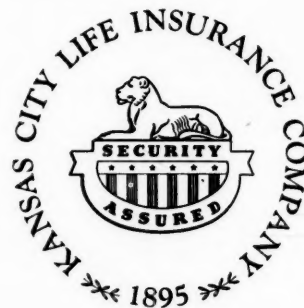
The Goddess Kuan Yin Lives in Kansas City

Standing six feet, three inches high, she resides in one of the many rooms of the Nelson-Atkins Gallery of Art in Kansas City. She is part of one of the finest collections of Oriental Art in the world. At this great cultural center

Kansas Citians and their neighbors see masterpieces of art that range in years from 3000 B.C. to modern times. For in Kansas City, beauty is important—beauty is a part of good living.

It's this emphasis on good living that makes Kansas City a better place to live and it's the same emphasis on good living that, over the past 60 years, has built Kansas City Life Insurance Company—an emphasis on better and better living for its policy holders and its associates everywhere.

KANSAS CITY LIFE INSURANCE CO.



The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year, No. 8
February 24, 1956

More Insurers Tot Up '55 as Year of New Heights

AMERICAN UNITED LIFE

Reaching a record \$661 million of insurance in force, American United Life showed a 29% increase in new paid business in 1955. Sales rose in all departments including A&H, reinsurance, group and ordinary life. January production indicates a continued climb in 1956.

Claud V. Kellerhals, with well in excess of \$1 million in paid business, was named "Man of the Year" for 1955. He manages the Champaign, Ill., agency. Runner up was R. Neal Sinclair, Indianapolis. In a close race, Kansas City topped Indianapolis to place first among agencies in paid volume. Robert M. Belisle is manager at Kansas City and James R. Comstock heads the Indianapolis agency.

ATLANTIC LIFE

Atlantic Life sales of weekly premium and ordinary life in 1955 totaled \$68,745,958, up 20.7%. Insurance in force is totaled at \$361,005,700, up \$26,650,709 exclusive of A&S and hospitalization.

Assets rose to \$87,192,437, up \$4,872,460. Capital and surplus increased to \$8,057,762, up \$649,949. Stocks and bonds and mortgage loans accounted for 82% of assets. Mortgage loans totaled \$45,401,209 and stocks and bonds amounted to \$26,495,091.

Policyholders and beneficiaries received \$4,811,071 in 1955.

COLUMBIAN NATIONAL

Columbian National Life sales, exclusive of group, in 1955 total \$43,237,962, an increase. Life insurance in force rose to \$523,234,227.

The William S. Vogel agency in Newark led agencies with a 26% increase.

EQUITABLE SOCIETY

Equitable Society assets in 1955 rose to \$8,047,000,000, up \$487 million. Mortgage loans exceed \$2 billion, or 27.7% of investments. For the second successive year, new investments exceeded \$1 billion.

The rate earned on assets, after all expenses except federal income taxes, was 3.40%, up .04%. Dividends totaled \$144,804,000, of which \$69,076,000 was applicable to individual life and annuity contracts and \$75,728,000 to group.

Benefits paid totaled \$597 million, of which 70% went to living policyholders. The average policy size was \$6,765; up \$1,361.

Insurance in force rose to a peak \$24,572,000,000, of which \$10,891,000,000 represented individual contracts and \$13,681,000,000 group. Premium income totaled \$950 million, up \$65 million.

Ordinary sales totaled \$1,437,000,000, up 28.5%, as reported in the Jan. 27 issue of THE NATIONAL UNDERWRITER. For the second year in succession group life sales exceeded \$1 billion. Ordinary and group sales totaled a record \$2,437,000,000.

GLOBE LIFE

Globe Life of Chicago's sales in 1955 brought its in force to \$42 million, with assets climbing to \$8,750,000, an increase of \$700,000. The company's capital and surplus now stands at \$741,000. Globe specializes in juvenile insurance, and recently began writing a new mortgage guarantee plan.

GUARANTEE MUTUAL LIFE

Guarantee Mutual Life's 1955 life insurance sales exceeded \$42 million, an increase of 27.4% over the preceding year. Insurance in force reached a new high of \$355 million, up from \$334 million. A&S sales exceeded those of 1954 by 22%. During the first week of 1956, a complete A&S program was established, with the company entering the non-cancellable and guaranteed renewable disability income field.

Assets reached \$96 million, as against \$89 million.

J. D. Anderson, agency vice-president, was elected to fill the unexpired board term of J. F. Kinney, who retired. Don H. Knott, vice-president in charge of mortgage loan activities, also was named a director.

MUTUAL OF NEW YORK

Mutual of New York assets in 1955 rose to \$2,475,481,920, up \$72,553,667. Gross yield, after investment expenses but before federal income taxes, was 3.55%, up .09%. Net yield, after all investment expenses and after providing \$6.2 million for federal income taxes, was 3.29%, up .04%.

Net gain from all operations was \$45,552,500, up \$5,345,877, after all charges, including federal income taxes, and after setting aside \$8,012,195 for strengthening insurance reserves and \$4,914,042 in reserves for securities.

The company has set aside for 1956 dividends \$40,002,130, up \$3,800,752. Benefit payments to policyholders and beneficiaries in 1955 totaled \$151,861,000.

(CONTINUED ON PAGE 19)

FOR ONE YEAR ONLY

Senate Committee OKs Company Tax in House-Passed Bill

WASHINGTON—The Mills-Curtis life company income tax bill has been approved by the Senate finance committee. The bill, H.R. 7201, was passed by the House during the past session of Congress, but was deferred last July by the Senate finance committee for further consideration during the current session.

The Senate committee has amended the legislation to limit its applicability to one year only and to eliminate the special tax deductions accorded to investment earnings allocated to annuities and pension plans by the House version of the bill. Reserve and other policy liability deductions under the latter amendment will be 87.5% of the first \$1 million of net investment earnings and 85% of the remainder.

The finance committee's report is expected to say that in eliminating the annuity and pension plan deduction provisions, the committee did not pass on their merits, but acted to eliminate them without prejudice, subject to possible later action after an opportunity to consider their merits thoroughly.

A provision giving tax relief for new insurance companies contained in the House version of the bill was extended to apply to new companies organized prior to Jan. 1, 1956.

Because no legislation taxing the life insurance companies was enacted during the past session of Congress, no tax penalties are to be applied to the companies for not making declarations and paying their estimated tax last September and December on taxes due March 15, 1956.

The finance committee's bill is reported to be in line with the Treasury's thinking. Treasury officials acquiesced in the House bill last summer with the understanding that it would be effective for only one year. Meanwhile, the department has been reported working with the staffs of the House ways and means committee and the joint congressional committee on internal revenue.

(CONTINUED ON PAGE 19)

Pansing Sure FTC Has No Wish to Be Insurance Overlord

Neb. Insurance Director
Gives Welcome Assurance
at N. Y. Management Meet

Director Pansing of Nebraska, who has had more contact than any other insurance commissioner with the federal trade commission, is convinced there is no effort in Washington to "eat away" at the states' control of the insurance business.

Following right on the heels of the FTC trade practice conference on A&S ads with representatives of the commissioners and the industry—in which Mr. Pansing took a leading role—his expression of this non-alarmist viewpoint was regarded as particularly significant.

In a talk at the annual management conference of the New York State Assn. of Life Underwriters at Saratoga Springs, Mr. Pansing emphasized that the federal activities which have been thought by some to indicate a lust for control of the insurance business have all been simply part of a broader pattern of doing the job at hand. The fact that they impinged on insurance has been incidental.

There is no special significance in the existence of conflicts of jurisdiction between the federal government and a state government, any more than in the numerous instances of conflict between state and state, he said. Law schools give courses on conflicts, so frequent is their occurrence.

As an example, Mr. Pansing mentioned the government's interest in the sale of life and automobile insurance on military reservations.

"This is not attacking state regulation of insurance," he observed. "It is merely the exercising of control over personnel that they ought to exercise. They regulate the sale of everything on military reservations, from toothpaste to automobiles."

Another example is congressional interest in union welfare funds. Mr. Pansing pointed out that Congress is interested in how the money is spent—not just for insurance but for anything at all. Some kinds of expenditures have been uncontrolled by the states.

Citing another example, Mr. Pansing said it is entirely proper that Congress should be interested in the operation of small-loan legislation, to see if usury is being perpetrated in spite of laws against it.

In connection with groups of persons working for the government, it's entirely reasonable that the government should investigate to determine whether it should self-insure or buy private insurance, said Mr. Pansing.

The speaker also recalled that when the interstate commerce commission thought it should examine insurers covering common carriers, it refrained after conferences with the insurance industry.

(CONTINUED ON PAGE 11)

Late News Bulletins . . .

Equitable Advances Cowie, Gilbert

William R. Cowie and Arthur W. Gilbert have been elected vice-presidents of Equitable Society. Both men have been 2nd vice-presidents. Mr. Cowie joined Equitable in 1937 as a public utility analyst. Mr. Gilbert also joined Equitable in 1937 as an industrial engineer. He resigned in 1951 to become assistant to the president of the Freeport Sulphur Co. and rejoined the company two years later as a 2nd vice-president.

N. Y. Life Names Pryor at St. Louis

New York Life has appointed Warren G. Pryor manager at St. Louis. Mr. Pryor, manager at St. Joseph, Mo., since 1950, joined the company at Denver in 1945 and was named assistant manager in 1946.

Union Welfare Bill Introduced in N. Y.

ALBANY—A much abbreviated version of the bill drafted by special insurance department counsel Martin House to regulate union welfare funds has been

(CONTINUED ON PAGE 20)

Details Given for New Coverages of Lincoln National

Among new coverages introduced by Lincoln National Life at its general agents' conference in Chicago was group major medical, extension of A&S to substandard risks and a \$25,000 special ordinary life policy.

All groups of 25 or more employees, both single-employer and multiple employer, are eligible for the major medical coverage, which includes both co-insurance and deductible features.

The major medical coverage will pay up to 80% of the difference between a person's eligible medical expenses for an illness and a deductible amount, up to \$2,500, \$5,000 or \$10,000 (75% may be selected, with appropriate rate reduction.) The coverage will be issued to employees only, or to both employees and dependents but not to dependents alone.

The plan may be written either under a comprehensive form, to include hospital, surgical or medical coverages; or on a superimposed basis, in which case it would be added to a regular Lincoln National basic group hospital, surgical or medical coverage. The comprehensive plan will be considered where base benefits are self insured or insured by another company.

Under comprehensive plan, the deductible is a flat figure and can be selected from \$25, \$50, \$100, \$200, \$300, \$400, \$500, \$750 or \$1,000. The deductible amount, maximum benefit, and benefit percentage may be applied only to these medical expenses: Hospital only; hospital and surgical only; hospital, surgical and other physicians' fees; hospital and physicians' fees (other than surgical). If other medical expense benefits are included in the plan, they will be written on a regular rather than major medical basis.

The superimposed plan is of two types—the "corridor" and the "integrated." In the corridor, the deductible is equal to the benefits payable under the base plan, plus a flat figure of \$100, \$200, \$300, or \$500. Under the integrated plan, the deductible is either the benefits payable under the base plan or a flat figure of \$300, \$400, \$500, \$750, whichever is greater.

The new group major medical covers many medical expense items not previously insured under a conventional hospital and surgical policy, such as: Diagnostic charges in or out of the hospital, consulting physician, registered nurses, rehabilitation therapy, drugs, medicines.

Regular A&S covers—except non-cancellable, protector and major medical policies—will be offered to substandard risks. The substandard policies usually will be written to provide regular benefits, including coverage for the impairment for which the rating is required, with appropriately increased premiums. Some elimination riders will still have to be used for certain impairments. The physical impairment ratings will range from 25% to 300% above standard. Accident ben-

Quality Culling May Shrink Agency Force Too Much: Coffin

The "fewer and better agents" development has proceeded so far that there are now too few agents to serve the public adequately, according to Vincent B. Coffin, senior vice-president of Connecticut Mutual, who was the closing speaker at the annual management conference of New York State Assn. of Life Underwriters at Saratoga Springs.



Vincent B. Coffin

Mr. Coffin said that this is a transition period. It faces the choice of recruiting more older men who can get into higher production brackets much more quickly than younger fellows or on the other hand taking young men right out of college, training them, and bringing them into production gradually.

Some of this is going on today, he said. The youngster in the business has a tough market problem but if he can be brought along and taught the sale of simple business insurance, for example, and then more advanced types of selling he should be able to make the grade, Mr. Coffin indicated.

Mr. Coffin told of the work being done by Paul Kaul, general agent of Connecticut Mutual of Omaha, who has 14 agents, all of them in the company's half-million corps. Because of the job he has done, Mr. Kaul has no recruiting problem, said Mr. Coffin. His only problem is to interview those who come to see him because of the reputation his agency has achieved, and determine whether these applicants are worthy of the standards he has set.

Crown Advances MacDonald

J. Bruce MacDonald has been advanced to assistant actuary of Crown Life. A fellow of Society of Actuaries, he formerly was supervisor in the actuarial department.

Effits and sickness benefits will be rated separately, meaning some applicants could qualify for one type of coverage on a standard basis and be charged extra premiums for the other. Substandard business will not be accepted from brokers.

Following are illustrative premiums per \$1,000 for the new \$25,000 special ordinary life policy. Supplemental term rider will not be issued with the policy, which is non-participating. Substandard extras, and double indemnity rates are the same as for ordinary life, non-participating. Waiver of premium disability rates are approximately the same as for non-participating ordinary life. The coverage is not now available in Oklahoma and New Hampshire.

Morris Brownlee Named as Texas Life Commissioner

AUSTIN—Gov. Shivers has appointed Morris Brownlee of Houston to the three-man Texas insurance board. Mr. Brownlee, formerly vice-president of Continental American Life, will fill the term of Garland Smith which expires in February, 1957. As life commissioner, Mr. Brownlee will receive \$15,000 a year.

J. Byron Saunders, the casualty commissioner, recently succeeded Mr. Smith as board chairman. Mr. Smith is now hospitalized with a stomach ailment.

Mr. Brownlee who entered the insurance business in 1927, has at various times been associated in the life, casualty, industrial, credit, group, A&S, and fire and marine fields. He has been an officer in local and state associations of underwriters and has been active in community affairs, especially in the Jaycees.

He is 48 years old and is a colonel in the air force reserve, having served three years in the European Theater during World War II.

Chandler to Agency Post with Acacia Mutual Life

Acacia Mutual Life has appointed C. Thomas Chandler as a superintendent of agencies.



C. T. Chandler

Mr. Chandler formerly was with Shenandoah Life for four years, serving most recently as superintendent of agencies. He entered life insurance with New York Life in 1938 at Richmond, Va. After military service and completion of work for a law degree, he rejoined New York Life, later becoming assistant manager at Richmond and then district manager at Roanoke.

Globe Life Elects New Treasurer, Board Member

George J. King has been elected treasurer of Globe Life of Chicago, and Carl A. Tiffany, consulting actuary, has been named a director. Mr. King, formerly with Peabody Coal Co., has been auditor for Globe for 2½ years. Mr. Tiffany, formerly an actuary for the Iowa and Illinois departments, has been a Chicago consulting actuary since 1948.

Mass. Department Bill Would Tax Annuities 2%

BOSTON—An insurance department bill that seems to have considerable strength behind it would levy a 2% tax on annuity considerations received by out-of-state insurers. Domestic companies are already subject to the tax but up to now it has not been levied against foreign insurers because of retaliatory provisions in other states.

Most states do not tax annuity considerations.

Guarantee Mutual Life's ordinary business for January exceeded business of January, 1955, by 27.4% and A&S business was 11% higher. The Stemsrud agency, Minneapolis, was highest producer for January, and Robert A. Peterson of the Stemsrud agency top salesman.

Pille President of Security Mutual, Binghamton, N.Y.

Richard E. Pille has resigned as vice-president of Mutual Benefit Life to become president of Security Mutual Life of Binghamton, N.Y., effective March 1. Mr. Pille was also elected a director, as was Ralph Hasbrouck, administrative vice-president of Security Mutual.



Richard E. Pille

Mr. Pille succeeds Frederick D. Russell, who last December requested the board that he not be reelected president. Mr. Pille joined Mutual Benefit in 1947 as associate superintendent of agencies and in 1949 became vice-president in charge of agencies. He entered insurance in 1930 at the Travelers home office, joined Connecticut Mutual as an agent in 1935 in New York City. He served as district manager at Bridgeport, Conn., and became home office educational director in 1945 after five years on the home office staff.

Mr. Pille has served on various committees of LIAMA and was chairman of the public relations committee for two years and of the 1952 annual meeting committee. He served as LIAMA's president in 1953 and has been a trustee of the American College since 1954. He is a graduate of Harvard university and the Harvard law school. Security Mutual has also promoted C. Robert Dean to manager of the sales division in the agency department and has named William C. Johnson policy payments officer.

Miss. Bill Would Up Premium Tax to 3%

The Mississippi house has passed an altered version of the senate bill increasing from 2% to 3% the tax on out-of-state life insurers. Domestic life companies would pay half the foreign company rate, as they do now, with a credit for up to \$20,000 of the state ad valorem tax on real and personal property. At present there is no limit on this credit. A house amendment would give domestic insurers a credit against Mississippi income taxes for any retaliatory taxes paid to other states. Another house amendment would continue the deduction for dividends in computing premium taxes, as it is under the present law and in practically all other states.

Because of the changes made by the house in the senate bill, the measure will go to a conference committee, which is also considering a bill to assess premium taxes against Blue Cross and Blue Shield premiums.

Mutual of N. Y. Names Fallon Ad Assistant

Mutual of New York has appointed Timothy A. Fallon Jr. advertising assistant.

Mr. Fallon, 30, formerly was with Brooke, Smith, French & Dorrance, Inc., advertising agency in New York City.

Heads Baltimore GA Round Table

Judson L. Smith, manager of Equitable Society, has been elected president of Baltimore General Agents & Managers Round Table. He succeeds Paul J. Williamson, manager of Life of Virginia.

Age at Issue	Annual Premium	2	5	10	15	20	at 65
20	\$12.00		\$ 26.86	\$ 88.06	\$154.66	\$228.26	\$616.89
25	13.85		34.53	105.04	180.85	261.11	694.40
30	16.17		43.32	124.35	210.15	299.35	866.43
35	19.15	\$.03	53.29	146.05	242.48	340.55	1,031.24
40	22.99	2.84	64.42	170.08	277.52	384.00	1,146.43
45	27.96	5.68	76.62	196.16	314.63	428.80	1,286.60
50	34.43	8.26	89.58	223.76	352.84	472.88	1,352.84
55	42.87	16.07	108.16	256.46	394.37	517.92	1,456.46
60	53.98	24.71	127.94	289.68	434.59	559.31	1,527.94
65	68.80	33.69	148.01	321.82	471.42	595.03	1,595.03

SARATOGA CONFERENCE

O'Leary Sees 22% More Inflation by '66. Urges Insurers to Fight It Like Plague

There is a great deal of unanimity, not only in the life insurance business but also among economists, that the general price level will move steadily upward in the next decade, according to



H. Fred Monley



James J. O'Leary

James J. O'Leary, director of investment research of Life Insurance Assn. of America.

Mr. O'Leary, who spoke at the Saratoga Springs management conference of New York State Assn. of Life Underwriters, said "hardly anyone expects that we shall have runaway inflation, but rather a moderate and persistently upward price movement."

This idea, he said, is based on three principal arguments. The first is that certain basic changes have occurred in the economy, such as the growth of collective bargaining strength by labor, agricultural price supports, and escalator clauses of various types, which will not only prevent costs and prices from declining at any given level but will also serve gradually to push them up.

More important, however, is that under the employment act of 1946 the federal government, whether Republican or Democratic will direct its powers toward keeping the national economy humming at "full employment." It is widely agreed, Mr. O'Leary observed, that the goal of full employment is incompatible with economic stability, hence it is anticipated that government pressures toward full employment are bound to produce an upward push on prices.

Thirdly, the argument is made that the tense international political situation, with the resultant heavy federal budget, will be an important contributory force toward higher prices, Mr. O'Leary said.

He pointed out, that though we are living under an administration dedicated to preserving the dollar's integrity and everybody is encouraged at the progress in this direction, it is highly significant that even under this administration, at the top of a boom, we are beginning to witness a shift in the direction of an easing credit policy in the residential mortgage field because of a moderate downturn in building activity from a record level.

"None of us is, of course, against prosperity," he said. "But we live in a world in which governments are convinced that unemployment must be negligible if they are to be reelected and in this sort of a world—so wonderful and exhilarating in many respects—we face the dilemma of a serious erosion in the value of the dollar."

On the more optimistic side, Mr. O'Leary noted that the economy has achieved an enormous capacity to produce goods and services, and expansion increases that capacity. In many respects it has been miraculous that in

the face of demands generated in the last 10 years it has been possible to avoid a runaway inflation. Much of this, he said, can be explained by the spectacular increase in the capacity to produce.

In spite of the upward pressure on prices being gradual and moderate, the life insurance business should nevertheless "fight it like a plague," said Mr. O'Leary. Even a rise of only 2% a year will, on a compound basis, cut the purchasing power of the dollar by nearly 22% by 1966. The life insurance business must redouble its efforts to combat government policies that promote inflation, he declared.

"Through the joint committee on economic policy of the American Life Convention and the Life Insurance Assn. of America we have achieved some success but we need to work even harder to make our influence felt," he said.

As for the possibility of another great depression, Mr. O'Leary said he could see little danger of another deep and protracted depression such as occurred in the 1930s—certainly not in the next 10 years. There are built into the economy a number of stabilizing elements, such as unemployment insurance and bank deposit insurance, which did not exist in the 1930s and which would help prevent the economy from going through the wringer of liquidation as it did in the great depression.

Moreover—although its potency can easily be exaggerated—"we have

learned much about the causes of instability and have better knowledge today about how the federal government and private business can cope effectively with a decline in business activity through appropriate policies in the areas of taxation, monetary and debt management and housing, to mention a few."

In spite of this knowledge, however, it would be a serious mistake to assume that the business cycle can be entirely eliminated. There will be characteristic ups and downs in business in the next 10 years and "I do not think we can rule out the possibility that some of the swings will be fairly wide."

Life Advertisers Set Eastern Round Table for Mar. 15-16 in N. Y.

Life Advertisers' Assn. will hold its annual eastern round table March 15-16 at the St. Moritz hotel in New York City.

Robert A. Adams, supervisor of advertising and public relations of Provident Mutual Life, is chairman. Committee members are F. L. Cooper, New York Life; J. P. Ferguson, London Life; Charles E. Ferree, Berkshire Life; Leighton G. Harris, New England Mutual Life; Don Hopkins, State Mutual Life; John Hopkins, Home Life of America; Hugh Innes, Manufacturers Life; Robert M. MacGregor, Phoenix Mutual Life; and William S. Weier, Prudential.

A. J. Wheeler, Pacific Coast manager of the National Underwriter Co., has moved his office to 582 Market street, San Francisco. The telephone number remains the same, EXbrook 2-3054.

Expect 150 at Life Advertisers Assn. Parley in Alabama

About 150 life insurance advertising and sales promotion executives are expected to attend the annual meeting of the Southern Round Table of Life Insurance Advertisers Assn. April 15-17 at the Tutwiler hotel, Birmingham.

The program, keyed to a theme of "Molding Ideas to Forge Ahead," will include addresses by Clarence M. Kiliam, advertising manager, Alabama Power Co.; Robert Luckie, Birmingham advertising and public relations man; Dr. F. M. Cook, vice-president-public relations, Guaranty Savings Life, and Dr. J. L. Brakefield, public relations director, Liberty National Life.

Also appearing will be Al B. Richardson, president of Life Advertisers Assn. and public relations director, Life of Georgia; Jay C. Leavell, vice-president sales promotion and advertising, Guaranty Savings Life, and Harry E. Nelson, public relations director, Life & Casualty.

Members of Southern Round Table have been invited to exhibit samples of their annual reports and company publications.

Loflin E. Harwood, public relations director, Southwestern Life, is 1955-56 general chairman of Southern Round Table. Mr. Nelson is vice-chairman and Mr. Leavell is secretary. All were elected at the Dallas meeting in 1955.

Clarence E. Bishop, promotion and advertising manager, Protective Life, is arrangements chairman for the Birmingham meeting. Reservations may be made through him in care of P. O. Box 2571, Birmingham.

Workshops on Pressing Problems to Highlight LIAMA Agency Meeting

LIAMA's agency management conference March 12-14 at Edgewater Beach hotel in Chicago will feature workshop sessions on pressing problems of the agency officer.

Moderators and their topics will be H. Smith Hagan, president of Midland National Life, agency department planning; Norman T. Fuhlrodt, executive vice-president of Central Life Assurance, financing; Attis E. Crowe, assistant secretary of Life of Virginia, recruiting; Brice F. McEuen, vice-president and agency director of Lamar Life, agent training and development; Myron E. Dean, regional agency vice-president of State Farm, getting results from home office supervision; and Edwin A. Phillips, vice-president and superintendent of agencies of Standard of Oregon, emphasizing quality business.

Harry S. McConachie, vice-president and superintendent of agencies of American Mutual Life, will preside at a presentation of the best ideas developed in 1955 by agency officers in the group.

Lee Cannon, agency vice-president of Western Life, will be chairman of the conference.

Little Rock GAs Elect Ellis

Charles Ellis, Metropolitan Life, was elected president of Little Rock General Agents & Managers Assn. Phil Bal-est, Pioneer Western Life, is vice-president, and Robert R. Lawrence, Prudential, secretary-treasurer.

The association voted to establish dues of \$10, half of this amount going to the national organization.

COMMONWEALTH LIFE

INSURANCE COMPANY

More than
1,100,000 policies
in force



HOME OFFICE:
Commonwealth Building
Louisville
The Tallest, Finest Office
Building in Kentucky

Agency System on the Ropes Can Win Out if It Will Get up and Fight: Osler

The American agency system is on the ropes—definitely and unequivocally—but that needn't mean that it's licked and headed for the discard, Robert W. Osler, vice-president of The Rough Notes Co. and editor of the *Insurance Salesman*, declared in a challenging address at the Saratoga Springs management conference of the New York State Assn. of Life Underwriters.



Robert Osler

"They picked Dempsey up off the floor and shoved him back in the ring, and one round later he knocked Firpo out," said Mr. Osler. "Gene Tunney was down for a 13 count, and he got up and beat Dempsey for the world's championship. They were on the ropes, both of them, but they came back and won because they got up and fought."

"The future of the American agency system lies primarily with you men here in this room—the men who recruit, organize, direct and inspire the field forces of the country. The responsibility for seeing that the American agency system gets up and fights is in your hands."

"The American agency system is today like a man eating happily on a mountain of food—the easy dollars of inflation—grown fat and lazy—too lazy to get up and work off some of the fat that is heading him for a heart attack."

"And all the while the lean and hungry direct writers, government planners and mass sellers, are edging nearer and nearer, just waiting for him to get fat enough so they can roll him over like a bowling ball and get all the food for themselves."

"The American agency system has 100 years and more of training. It's made America the greatest insurance country in the world. You don't need new skills. You simply need to use the skills you have and are allowing to lie dormant."

"Get up off the floor and fight—which means get your men out and get them to sell."

"Give people the coverage they want—especially in the A&S field, where they are the most poorly covered and to which the government and all other inimical forces are turning their attention right now. Get up and fight! Just get up and use the skills you've already got. That's all it takes to come back off the ropes they've got you on today."

The reason the agency system is on the ropes, said Mr. Osler, is that it has been hit by government competition, get-it-wholesale group coverages, direct writing competition, fringe insurers, like Blue Cross, and "the overweening interest of companies in volume."

"In the field of government competition, we have social security," Mr. Osler pointed out. Social security has cut deeply into the life insurance market. Quit giving me that stuff about social security making sales and take a look at the record. In 1937, the year social security started, 5.2% of disposable income went into life insurance. Today—after 19 years of social security, on-

3.5% of disposable income is going into life insurance.

"Today, a family can get as much as \$200 a month social security (and before the year is out, they'll probably be able to get more than that), net without taxes. That's more than many families average net after taxes from earned income."

Mr. Osler believes that the life insurance business is a lot to blame for the growth of social security. First, it has for 19 years stressed the "shortcomings" of social security. This has helped center attention on remedying the flaws. Second, life insurance is responsible in failing to stand up and object right from the start to social security expansions.

It has been derelict in its duty to inform the public of the inherent danger, said Mr. Osler. He recalled a private conversation a year ago with Rep. Halleck, then majority leader of the House, and now minority leader, who asked, "Why haven't life insurance companies taken the responsibility for telling the public the truth about social security?" To some extent the business is trying to bring out a little more of the truth today, but the effort is still a weak one, Mr. Osler observed.

"The attitude of too many people in the life insurance business is typified by the reaction of the general agent in Detroit, where I made similar charges to this," said Mr. Osler. "He said to me afterwards, 'After all, there are some things you can't do anything about.'"

"Where would we be today if the colonists had said about taxation without representation, 'There are some things you can't do anything about'?"

The federal government isn't the only source of government competition, said Mr. Osler. He cited compulsory disability insurance laws in New York, California, Rhode Island and New Jersey, along with threats of similar legislation in many other states. Life insurance men may shrug it off as dealing only with A&S but Mr. Osler warned that "what gets a foothold in one field creeps into others very fast."

The federal health reinsurance bill is supposed to encourage companies to insure presently uninsurable areas but the fact is that no legislation can ever make the uninsurable insurable, Mr.

Osler declared. The whole point, he said, is to pass out a subsidy because that is the shortest path to control. Efforts are also being made to re-expand National Service life insurance.

"Don't be fooled by the idea of making social security payable in case of disability after age 50 or 55—or any given age," Mr. Osler warned. "Get it authorized at age 50 and next election year the drive will be to get it pushed down to age 40—and so on down to birth—just the way we've gone up and up on old age and survivor benefits."

Group life and A&S, said Mr. Osler, have a valid function in protecting the employer against his moral and social responsibility to do something for his employees but he said that today, however, a good half of the group insurance being sold is primarily on the "get-it-wholesale" appeal. As for dependency group, "If you cover 30 million employees and each employee has two dependents, you are covering 90 million people. That's a big chunk of the market, isn't it?"

Mr. Osler ridiculed the plea that agents write group and group makes a good lead to individual sales. The group writing practices of many companies and some agents, he said, "are like a cow drinking its own milk."

Borrowing the term "direct writing" from the fire-casualty field, Mr. Osler said that the government employees group life case, with only a token commission, is nothing but direct writing.

"Do you think that case is exceptional?" He asked. "Let me tell you that I know of a survey made a little while back asking companies the question, 'Would you take a group case without paying commissions?' The names of those who answered 'yes' sounded to me like a roll call of Life Insurance Assn. of America and American Life Convention combined!"

"I've not made any friends by so doing this but I've criticized NALU for 'approving' the government employees case. The excuse was, 'The government said either it would be written without commissions or it would self-insure.'"

"What kind of an excuse is that? It's like a man who shoots his best friend and alibis: 'Another guy said he'd beat me up if I didn't.' In my opinion the business should have let the government self-insure. Then the nature of the plan would have been there for all to recognize. If the business had stood

(CONTINUED FROM PAGE 18)

Lincoln Nat'l. Raises 4 Officers; Approves 100% Stock Dividend

At the annual meeting of Lincoln National Life, four officers were promoted, a proposed 100% stock dividend



F. J. McDiarmid



M. C. Ledden

was approved, and a cash dividend on capital stock was declared.

M. C. Ledden and F. J. McDiarmid were promoted from 2nd vice-presidents to vice-presidents, Walter G. Gadiant was moved up from assistant manager of the investment department to assistant vice-president, and William E. Lewis was promoted from assistant actuary to associate actuary.

Stockholders voted to approve a pending resolution of the board recommending a 100% stock dividend. Capital will be increased from \$10 million to \$20 million, payable from surplus funds, and a 100% share-for-share stock dividend will be payable to holders of record March 1.

The cash dividend of \$1.05 is payable in three quarterly installments of 35 cents each.

Mr. Ledden continues as treasurer. He joined the company in 1930 as junior accountant and has been chief accountant, controller, 2nd vice-president and controller, and 2nd vice-president and treasurer.

Mr. McDiarmid joined the actuarial department in 1928, transferring seven years later to the investment department. He was successively assistant manager and manager of the department and 2nd vice-president.

Mr. Gadiant has been with the investment department since 1947 and for five years has been assistant manager of that department.

Mr. Lewis, assistant actuary since 1953, joined the actuarial department in 1944. He was named actuarial assistant in 1949.

Figures from Life Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1955	Ins. in Force Dec. 31, 1955	Increase in Ins. in Force	Prem. Income 1955	Benefits Paid 1955	Total Disburs. 1955
Acacia Mutual Life	323,392,278	20,631,916	14,805,801	155,670,407	1,423,701,283	80,962,181	35,232,045	17,152,446	30,644,940
American General Life	30,284,102	4,025,975	3,336,107	52,665,737	253,515,217	37,523,475	7,234,248	2,046,445	5,023,329
American Home Life	7,605,733	479,635	358,443	4,833,168	36,545,089	2,247,969	915,400	285,206	748,053
American National	575,662,733	53,799,813	71,398,571	719,645,305	3,438,042,678	368,567,852	81,351,088	28,486,737	64,003,418
Bankers Life, Neb.	95,254,198	7,504,547	7,240,185	66,351,200	345,995,590	35,495,363	10,616,618	4,187,851	9,039,643
Bankers National Life	57,026,805	5,434,915	5,005,474	57,256,371	316,696,512	33,822,828	8,709,363	3,567,590	6,514,726
Business Men's Assurance	143,856,027	11,693,460	21,642,321	240,834,913	1,005,097,033	141,048,567	40,604,333	21,275,236	34,517,965
Central Life, Iowa	141,820,241	6,908,839	12,222,494	55,527,414	433,862,020	30,122,233	10,842,479	6,910,305	10,917,528
Equitable Life, D. C.	89,230,802	7,900,939	8,351,825	54,104,142	399,022,339	24,974,930	12,603,839	3,604,121	7,695,890
Farmers & Bankers Life	41,291,794	2,486,825	4,701,294	12,935,802	132,149,924	5,441,836	3,537,768	1,443,002	2,950,672
Independent Life	4,374,168	403,864	1,173,269	8,564,548	22,232,369	1,973,772	1,090,774	332,107	866,099
Indianapolis Life	95,855,161	6,434,967	7,712,190	41,463,567	328,015,879	21,898,283	9,323,446	4,794,927	8,256,235
Lafayette Life	25,984,335	2,315,962	2,471,008	29,159,656	136,631,680	15,782,717	3,695,935	1,127,428	2,709,769
Laurel Mutual Life	74,275,925	7,223,686	5,366,221	35,471,957	346,978,487	27,543,276	8,705,629	3,228,110	5,809,600
National Farm Life	2,239,626	428,257	202,269	5,443,756	25,139,542	2,098,472	723,791	105,054	382,208
National Fidelity Life	17,864,698	1,403,728	2,501,103	20,053,534	113,609,827	16,334,233	3,089,826	1,070,703	2,206,838
National Life, S. D.	6,825,523	1,153,821	1,591,422	27,198	56,548,442	Decrease	1,333,310	462,776	578,524
National Mutual Benefit	16,902,971	1,050,028	3,221,402	5,372,630	85,399,339	3,586,235	1,446,894	732,902	1,135,200
Ohio National Life	157,434,335	10,817,605	9,217,650	123,886,580	750,750,392	67,989,152	19,289,453	8,759,150	16,033,470
Old Line Life, Wis.	54,539,063	2,718,552	3,870,801	15,697,291	171,557,952	5,113,926	5,111,014	2,380,525	4,512,695
Peoples Life	32,407,887	1,836,574	2,250,000	138,686,711	9,282,104	3,058,537	1,258,096	2,230,932	2,230,932
Producers Life, Ariz.	1,142,542	216,048	703,152	6,895,015	32,333,506	6,202,586	900,624	159,826	633,491
Provident Mutual Life	776,002,739	26,385,947	48,647,920	178,980,268	1,728,643,786	80,636,025	48,834,860	44,638,860	71,590,206
Republic National Life	72,866,208	1,983,392	3,885,812	333,596,539	916,290,534	222,279,323	16,687,096	10,359,849	15,586,046
Union Life, Va.	17,136,031	1,499,232	4,143,963	30,683,597	95,674,610	6,141,992	4,911,050	1,514,688	3,905,654
Southern Farm Bureau	11,444,899	2,891,185	1,811,407	65,354,820	201,012,681	43,543,186	4,474,898	677,366	2,142,447
Southwestern Life	369,052,237	46,499,138	41,611,905	211,281,979	1,340,519,627	128,918,969	42,130,631	20,344,132	31,231,777
Sovereign Life, Canada	30,064,185	2,359,895	2,035,069	23,105,121	154,744,133	11,446,615	3,696,275	3,319,303	5,410,382
Sun Life, Canada	1,948,776,948	72,568,884	135,449,737	761,854,137	6,534,251,986	495,806,591	194,643,818	137,495,235	201,305,365
Woodmen Accident & Life	18,936,549	2,433,021	4,239,533	26,074,946	111,026,949	14,997,851	9,962,962	4,079,399	8,305,861
Aid Assn. for Lutherans	209,374,791	17,699,119	19,571,902	149,353,301	958,267,480	119,318,815	21,064,844	8,562,474	16,173,424
Royal Neighbors of America	156,715,144	4,224,689	17,884,255	23,215,199	426,523,654	6,469,525	8,870,116	7,448,233	10,500,132
Woodmen Circle	52,880,470	951,372	8,290,028	10,893,586	128,566,864	1,433,389	3,786,159	2,683,999	4,458,271

The new business figures exclude revivals and increases except as follows: \$11,467,303; \$1,341,196; \$183,041; \$210,133; \$47,863,738; \$53,281,500; \$1,157,938; \$5,688,784; \$455,199.

MDRT Convention Cruise

New Plan Adopted for Assigning Space in Kungsholm Reservations Exceed Capacity

Feb. 29 has been set as the deadline for Million Dollar Round Table members and potential qualifiers to mail their Kungsholm convention cruise reservation forms to MDRT headquarters at Chicago, according to Chairman Arthur F. Priebe, Penn Mutual Life, Rockford, Ill.



Arthur F. Priebe

Everyone whose reservation request is postmarked before midnight Feb. 29 will have the same chance of getting accommodations aboard the Swedish American Line flagship when she sails from New York for Bermuda May 16—provided his membership application and supporting papers accompany his reservation request or have gone in earlier, and he includes his \$25 registration check and another check for 25% of the cruise fare.

Thus, all reservation requests bearing a February postmark will be "first list"; any bearing a later postmark will be "waiting list," to be assigned in order if "first list" cancellations permit.

This procedure supersedes the previously contemplated plan of mailing out the reservation forms so that each person on the mailing list would receive his form the same day. The earlier system would have involved too much uncertainty, the executive committee decided.

There will be accommodations for just 450 persons on the cruise. If there are more than 450 reservation requests, as seems almost certain, accommodations will be assigned equitably among those whose requests bear a February postmark and meet the other specified requirements.

The executive committee wanted to guard against the possibility that any particular category of members might apply for reservations all out of proportion to its percentage of total membership. There are five MDRT categories—(1) life and qualifying, repeating; (2) life; (3) life and qualifying, first time; (4) qualifying, repeating; and (5) qualifying, first time.

To keep the meeting from being "out of balance" each category will be allotted a quota according to percentage of attendance at meetings in the last two years.

Soon after March 6 each applicant will get a postcard acknowledging his reservation and checks, Mr. Priebe wrote the membership this week.

"It will carry your reservation number," he said. "If your number is lower than 450, then as soon as you've qualified for membership, the Swedish American Line will get your reservation and 25% down payment check from us—and they'll carry the ball from then on."

"Don't be discouraged and count yourself out if your number is above 450. Many things can happen to give you a break. Suppose some low-number-holder fails to qualify for membership? He's out. Or a past chairman or officially-invited guest, or member of a working committee finds it impossible to attend (they have priorities, as we told you). In that event, we

offer the space to the next number on the 'waiting list'."

This means, Mr. Priebe explained, that the next to be offered space would be those with numbers above 450 and after that the late registrants comprising the waiting list.

Mr. Priebe particularly urged the members to read carefully the provisions regarding cancellation of reservations. A member may cancel in writing before April 1 and receive full refund of his MDRT registration fee and his cruise down-payment; but if he cancels between April 1 and May 1 he will receive a refund only if the committee is able to book a replacement passenger. Reservations are automatically cancelled unless the balance of the cruise fare is paid in full by April 15.

"As popular as this cruise is, we cannot permit wilful last-minute cancellations and leave someone at home who really wants to go," Mr. Priebe emphasized.

The chairman also called attention to the decrease in the registration fee—from \$40 to \$25—to more accurately assess the meeting costs on those who attend, and to pay other operating costs by dues from the total membership.

Detroit Agencies Honor Leading Agents in 1955

Detroit Life Agency Managers Assn. honored 47 producers at its annual "Man of the Year" banquet. The event has become one of the highlights of the Detroit insurance year, and there is keen competition among associates of the participating agencies for the honor.

Ruth M. Kelley, Manhattan Life, and L. P. Gepford, New York Life, association president and vice-president, respectively, spoke briefly and presented each of the honored agents with a personalized gift. Following introductory remarks by John Witherspoon, city controller, there was an address by Joseph Long, director of agencies of State Mutual Life.

Life of Ga. Appoints Hodges, Training Aides

Life of Georgia has promoted Ray C. Hodges, with the company since 1946, from staff manager at Statesboro, Ga., to district manager at Kingstree, S. C.

John R. Kash, George J. Kranitsky, T. H. Thompson Jr. and William H. Voegeli, who have been staff managers at Ashland, Ky., Richmond, Atlanta and Athens, Ga., respectively were advanced to training assistants. H. Coleman Jackson, on the training staff for a year, was named senior training assistant.

Postal Cites Leaders

Postal Life, which had sales of \$25 million in 1955, awarded its president's cup for top personal production to Herbert V. Friedman, New York City, a member of Million Dollar Round Table.

The Wolff agency in New York City, which led all agencies with \$5.225 million, won the president's trophy for the best all-around agency building job in 1955. The DeMian agency in New York City won the president's quota plaque for exceeding his quota by 40%, the largest percentage of production over quota. The Milton agency in New York City won the president's service plaque for writing the greatest number of lives. The Altschul agency

in New York City set a record by selling \$1.6 million in February and placed second for the year with \$5 million.

President George Kolodny, when he presented the awards, pointed to the numerous progressive steps and changes made during the year and promised further advancements in 1956.

Liberty Names Smith to Ordinary Agencies Post

Liberty Life has appointed C. A. Smith II director of ordinary agencies to succeed Roger Bourland, who resigned recently to join the home office sales staff of Mutual of New York.

Mr. Smith, who joined the company in 1951, has been agency assistant, regional manager and, most recently, manager of the western Carolina agency.

Loyal Protective Promotes Three

Loyal Protective Life has promoted Walter E. Collins from secretary to vice-president and secretary with general administrative duties; Albert Robins from A&S underwriting secretary to 2nd vice-president in charge of life and A&S underwriting; and Robert R. Rich Jr. to counsel with legal duties exclusive of claims.

Ecke Succeeds McGinnis for Farmers New World

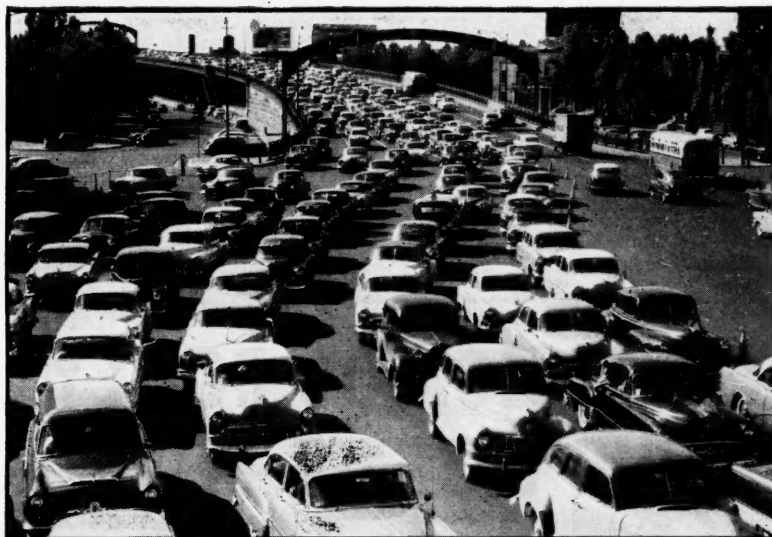
Roy L. McGinnis has retired as president of Farmers New World Life of Seattle. He is succeeded by R. E. Ecke, vice-president and treasurer of Farmers group of Los Angeles. John D. Carmody, vice-president and general counsel, also has retired. Both Messrs. McGinnis and Carmody will continue as members of the board and executive committee.

Mr. McGinnis had been with company for 44 years. It was purchased in 1953 by the Farmers group.

Farmers New World Life had written business in 1955 of \$29,588,000, an increase of 178% over the previous year. Insurance in force increased \$16,911,000 to \$147 million, and assets gained \$2,034,000 to \$33,718,000.

Dallas Insurer Reinsured

Commerce Life of Houston has assumed the business of Allied National Life of Dallas under a reinsurance agreement. Allied National had \$348,050 insurance in force Aug. 31, 1955. At the same date Commerce Life had \$6,092,157 insurance in force and assets of \$367,238.



Is State Mutual on the move?

You bet it is! Last year this 111-year old Company finished with the best sales record in its history, for both ordinary and sickness and accident. Paid-for ordinary increased 22% over last year and annualized premiums for non-cancer sickness and accidents were up 89%.

Group sales also continued in high gear—life volume reached nearly \$130 million and casualty premiums written were more than \$1,350,000, a new high.

Six new agencies were opened in 1955, 13 new agency managers were appointed and plans call for still further field expansion this year.

Construction was started on our new multi-million dollar Home Office building that, when completed some time in 1957, will enable us to give still better service to field underwriters and policyholders.

Yes, you can definitely say State Mutual is on the move.

STATE MUTUAL LIFE
Assurance Company
OF WORCESTER, MASSACHUSETTS

Loyalty, Leadership, Learning Expected of Supervisors: Webster

The home office expects its agency supervisors to possess "loyalty, leadership and learning," Andrew C. Webster, vice-president for selection of Mutual of New York, told the New York City Life Supervisors Assn.

Sometimes the supervisor wonders if the home office knows he exists, Mr. Webster said. The home office does know the supervisor exists because it is from his ranks that many managers, general agents and home office men are chosen.

The home office expects the supervisor to be loyal to his manager and his company, Mr. Webster declared. This does not mean blind obedience. Rather, it means the supervisor's belief in his own company, regardless of how attractive other companies may appear. The supervisor ought to feel that his company is the place where he wants to work.

The home office expects the supervisor to possess leadership ability. He must be able to direct and give guidance to others. He should be able to develop agents, brokers and himself. The work of the supervisor is essential to the morale of the organization.

The life insurance business is one of people, not machines, the Mutual of New York executive continued. Unless the supervisor can deal with people as people, he cannot be a successful supervisor. The supervisor must handle each type of man in a different way. And the supervisor needs patience and understanding, which often are difficult to maintain under the pressure of obtaining business.

The home office expects the super-

visor to possess learning, Mr. Webster said. This includes having proper knowledge of the company's philosophy of insurance or pattern of business. The supervisor also should absorb the philosophy of his immediate boss, manager or general agent. The supervisor will be able to get the people he wants to work for him if he understands company philosophy.

The supervisor must know his company's practices and procedures and what its various commission contracts offer. He also should know something about company underwriting.

Mr. Webster advised supervisors to follow up cases with the home office and with the agent or broker to show interest in issuing business. When a case is rated substandard, it is a good idea to explain the reasons to the agent and help him plan an approach to the client. This is particularly true in the case of new men, Mr. Webster said.

The supervisor should ask himself if he is satisfied to be in the life insurance business. He should remember that he is just as much a representative of the company as the president is, Mr. Webster said.

Nenner Heads Penn Mutual GAs' Group

William J. Nenner, Cleveland, has been elected president of the Penn Mutual General Agents Assn. Other officers are Henry M. Faser, Boston, 1st vice-president; Carr R. Purser, New York City, 2nd vice-president; John E. Spence, New York City, treasurer; Robert K. Zimmer, Columbus, O., secretary; and H. Gray Hutchison, Raleigh, assistant secretary.

Pyramid Promotes Swenson to V-P
Pyramid Life of Charlotte has promoted Norman V. Swenson from secretary to vice-president and secretary.

Discuss Methods of Promoting Group A&S with Agents, Buyers

Businesses are continually searching for ways to strengthen ties and improve communications between worker and employer. A method of real benefit to policyholder, employee and insurer has been worked out by Mutual Benefit H&A to explain and promote the group insurance programs of employers to employees. A. W. Randall, assistant vice-president of Mutual Benefit H&A, explained the system at the educational seminar conducted by Bureau of A&H Underwriters and H&A Underwriters Conference in New York City.

Paul Troth, director of group sales promotion of New York Life, discussed the problem of promoting group insurance among agents.

Mr. Randall said when Mutual Benefit H&A decided to assist group policyholders in explaining the fringe benefits to employees it called upon the company's advertising agency to develop, design, and show the company how to merchandise the entire program. As a result, a complete series of pieces outlining the advantages of the employee benefit plan were prepared. They are supplemented by national magazine advertising.

The pieces are utilized by the group department in two areas—in preapproach and prospecting by group representatives, and by policyholders in developing better communication between management and labor. The pieces developed for use by the policyholder began with the revision of the group booklet.

The next step was to interest top management in selling their particular benefit plan to their employees. This was done at a nominal cost by preparation of pieces which can be used by most employers and printed in large quantities to reduce cost. In cases where a special series of pieces are needed because of the type of industry, administrative procedures, and so forth, a few revisions in the current material usually is sufficient to alter the material to the policyholder's satisfaction, Mr. Randall said.

A series of six pieces were first prepared with the suggested procedure being that the policyholder use them as instructed at two month intervals. The first piece was a paycheck stubber in the form of a paid premium notice which informed the employee of the employer's contribution and pointed up the fact that the employer performs certain other functions such as payroll deductions, reporting the premium to the insurer, record keeping, and so forth.

Another mailing piece is printed on the employer's stationery and mailed to the employee's home. A typical claim check for hospital and surgical bills is attached and the letter explains how the employee's paycheck is protected by group A&S insurance and the manner in which the employer pays or participates in the cost. A third piece is a specimen bonus check on which the policyholder imprints the employee's name. It is made out in the amount of the employer's share of the employee's premium. The check stub carries an explanation of the hidden wages in the benefit plan due to the company's participation and the value of the insurance plan to the employee and his family.

Designed for special occasions are a

get well card and a birthday card. The company is currently designing another piece to be sent out to those persons not participating under the group plan. This will urge the employee to avail himself of the benefits of the group coverage for himself and his family during the next open period.

The company's national advertising program also has provided additional media for communications, Mr. Randall said. Various articles in the magazines in which it advertises have carried useful information either about an industry which the company is insuring or labor management problems. Reprints of these articles are furnished to the policyholder or, in some cases, to the employee.

When New York Life entered the group A&S field, Mr. Troth said, the group sales promotion department decided there were three broad channels of communication which must be developed—the company's agency force, the broker market, and the consumer market.

The company's principal contact with the broker market is through its own group men. To reach the consumer market, it uses advertising in national magazines and it has run ads in some of the labor publications. The copy theme is largely product advertising with the purpose of connecting the idea of group insurance with the company name.

Mr. Troth emphasized what his company is doing in promotion directed at its agency force. When it entered the group field it provided the field force with the training materials and sales tools it would need to develop the new market.

Since then the number of group sales from company agents has increased every year. Last year the company realized 775 group sales, all on groups of 25 lives or more. That is equal to the company's entire 1954 sales record from agents and brokers combined. Also in 1955 agent group sales produced more than \$4 million of new premium.

To interest agents, New York Life started with a booklet. It gave answers to questions agents ask about group insurance. Then it worked with the agency department in fitting group insurance into the agent's training program.

Azar Succeeds Miller for Aetna at Scranton

Aetna Life has appointed George Azar Jr. general agent at Scranton, effective March 1. He succeeds R. H. Miller, who is retiring from management after 25 years as general agent.

Before entering life insurance Mr. Azar was for 11 years director of personnel for the American National Red Cross and previously was an instructor at Keystone junior college. He joined the Scranton agency in 1953 and has become one of Aetna's leading producers.

Independence Life Changes Name

Independence Life Insurance Co. of Charlotte has filed with North Carolina Secretary of State amendments to its charter which change its name to Skyland Life Insurance Co. and increase authorized capital from \$200,000 to \$500,000.

The company, now licensed only in North Carolina and Georgia, plans to enter other southeastern states where the name Independence was found to conflict with companies already doing business. Former Commissioner Cheek of North Carolina is president.

IS A \$10,000 POLICY YOUR BIGGEST SELLER?

IT WOULD BE IF YOU SOLD THE LUTHERAN MUTUAL SELECTOR PLAN!

In less than a year after it was introduced, a \$10,000 minimum policy has become our biggest seller. It's Number ONE in sales volume and Number ONE in earnings for our agents. Here's why:

1. The Selector offers a policy at a cost so low it becomes easy for the prospect to add an extra \$10,000 coverage.
2. Lutheran Mutual has prepared policy illustrations and sales visuals that assist in every step of the interview.

Interested in selling a plan like this? Write to:
C. O. McGee, C.L.U., Director of Agencies

Lutheran Mutual

LIFE INSURANCE COMPANY

Home Office ★ Waverly, Iowa

SARATOGA CONFERENCE TOLD:

Psychiatric Pre-Testing Slashes Turnover Rate by Baring Hidden Personality Flaws

Psychiatric testing of agent candidates is a tremendously valuable adjunct to psychological tests, aptitude tests and the general agent's own judgment.



Charles E. Drimal

This was indicated by Charles E. Drimal, general agent of Penn Mutual in New York City, in his talk at the Saratoga Springs management conference of New York State Assn. of Life Underwriters.

Mr. Drimal said that in the last three years his agency had recruited 20 men who got the green light in the psychiatric tests. Sixteen are still with the agency and last year the men recruited under this method produced just short of \$5 million out of the entire agency's production of nearly \$12 million.

"In other words, our entire increase in the last three years resulted from these men," he said.

Mr. Drimal got interested in psychiatric tests for potential agents because of the inadequacy of other means in appraising the personality makeup and problems of the individual. An aptitude test, no matter how carefully prepared, cannot serve this purpose, since it does not give insight into the man's intelligence or personality characteristics.

The Steward test will measure his intelligence but evaluating his personality is left up to the general agent. The aptitude test does help in a negative way in ruling out those who are very unlikely to succeed in the business and as such serves as a minimum requirement. A difficulty with it is that most applicants taking the aptitude test want the job and therefore put their best foot forward. They answer what they think is wanted rather than giving their true thinking.

One high scorer, for example, seemed to have everything—he was married, was a college graduate, had a law degree, and seemed entirely suitable. The psychiatric tests showed him to be very unsuitable because he had a very poor inter-personal relationship with people, was very dependent and had a great feeling of inadequacy. The tests revealed him to be emotionally ill at the time. Yet he was capable of hiding these facts from a layman.

Another candidate, who was interested only in a commission contract, was 30 years old, married, with two children, and scored an excellent aptitude test. But the psychiatric tests showed he was emotionally ill with a feeling of grandiosity but capable of hiding all this from the ordinary layman. This man was turned down and immediately went with another life company. In two months he was out of the business and under psychiatric care.

A third man also scored an excellent aptitude test. He was married, was a former officer in the armed forces, and had been selling on a straight commission. As a result of the psychiatric tests Mr. Drimal dug up some additional facts and declined him. The man went with another agency, left the business in two months, and sued the general agent after severing his connection. Later he was committed to a mental

institution.

What sort of psychiatric yardstick can be used in applying the test findings? As a control group, the Drimal agency put a group of unquestionably successful men like Ralph G. Engelsman, former general agent of the

Drimal agency and now a sales consultant, and Harry Phillips 3rd, one of the outstanding men of the agency, and had them examined in the same way as a new man. It was found that these successful agents had many traits in common:

- **Intelligence.** The successful men score superior, with high scores on arithmetic, similarities, and picture arrangement.

- **Productivity.** Quite productive, very ambitious people, with a desire to impress others. The successful agent is very competitive and shows a great de-

sire to outdo his peers and those he regards as beneath him.

- **Drive.** He can accept a challenge and work with it.

- **Organizational ability.** He knows how to make plans and work toward goals. He is a quick thinker. The successful man can act quickly and will seize at any opportunity to get his point across. He can size up situations quickly, lets the other person talk, knows how to manipulate situations, how to use what others say or do to his advantage. He is not interested in or

(CONTINUED ON PAGE 17)

CONTINENTAL AMERICAN



1955 achievements assure an even-better tomorrow

New Low Premiums

The scale of premiums for new life insurance policies was reduced during the year, thus increasing the insurance coverage which can be established for a given premium. This is in line with the Company's long-standing policy of furnishing maximum insurance protection for the premium dollar. At the same time, the new policies were modernized; they continue to offer unusual flexibility.

Payments to Policyholders and Beneficiaries

The Company's growing service to its clients is indicated by the rapidly increasing payments to policyholders and beneficiaries which, during the year, totalled \$7,559,030—15% more than the previous year.

Growth in Insurance

Record sales of new life insurance, totalling \$58,111,477, resulted in the largest growth of

insurance during any year in the Company's history. The increase for the year was \$31,185,341, which brought total insurance which was in force to \$357,409,368, an increase of 10% for 1955.

Larger Average Policy

The appeal of Continental American contracts to larger buyers of insurance is shown by the increase in the average new policy sold which, in 1955, was \$12,225. In fact, since the new lower premiums became effective in October, 1955, 84% of all new insurance was in amounts of \$10,000 or more.

Financial Strength

The traditionally strong surplus position of the Company was maintained during the year. Assets exceed liabilities, except capital funds, by 9.3%—an extra margin of safety which ranks Continental American high among the leading life insurance companies.

48th ANNUAL STATEMENT

December 31, 1955

ASSETS

Bonds: U. S. Government	\$18,298,934.92	20.4%
Canadian Government and Provincial	498,549.82	.6
State, County and Municipal	223,520.41	.2
Utility	15,892,527.07	17.7
Railroad	303,218.98	.3
Industrial	1,556,947.16	1.7
Total Bonds	\$36,773,698.36	40.9%
Preferred and Guaranteed Stocks	1,473,585.00	1.6
Common Stocks	325,550.00	.4
First Mortgage Loans	43,151,197.20	48.0
Home Office Property	615,368.57	.7
Loans to Policyholders	4,289,773.25	4.8
Premiums Due and Deferred	1,408,524.00	1.6
Cash and Bank Deposits	1,786,569.45	2.0
Total	\$89,824,265.83	100.0%

LIABILITIES

Insurance and Annuity Reserves	\$76,739,505.00
The amount which with interest and future premiums will pay all future benefits as they mature.	
Claim Reserve	395,390.66
For claims not yet completed or reported.	
Prepaid Premiums and Interest	2,031,372.74
Policy Dividends Payable in 1956	1,192,235.00
Employees Retirement Fund	726,591.00
Contingency Reserves Required by Law ..	492,910.00
Accrued Taxes Payable in 1956	343,000.00
All Other Liabilities	235,102.92
TOTAL LIABILITIES, EXCEPT CAPITAL ..	\$82,156,107.32
Capital Stock	\$ 1,304,700.00
Voluntary Contingency Reserves	1,000,000.00
Surplus	5,363,458.51
Total	\$89,824,265.83

CONTINENTAL AMERICAN LIFE INSURANCE COMPANY

Wilmington, Delaware

NEWS OF LIFE ASSOCIATIONS

Missouri Life Agents Set Three-Goal Program for '56

ST. LOUIS—J. D. Soper, Sun Life of Canada, president of Missouri Assn. of Life Underwriters, has outlined a three point program for 1956.

Formal programs for all local associations are planned throughout the year. It is proposed to publish them so that every member throughout the state can see what is going on, where and when.

An agents' qualification bill will be promoted, the measure to be prepared by a committee headed by Herbert Hedges, Equitable Life of Iowa, Kansas City, a past president of NALU. Jack Leaver, Mutual Benefit Life, St. Louis, is lining up support of domestic life companies.

Educating the public about life insurance through TV programs will be the project of a committee headed by Earl Manning, New York Life, St. Louis. A series of film strips is being made for showing on local stations.

Sales Congress Card at Cincinnati Attracts 400

More than 400 persons attended the annual sales congress of Cincinnati Life Underwriters Assn. that featured talks by J. F. Lincoln, chairman Lincoln Electric Co., Cleveland; Joe Lo Bosco, Manufacturers Life, Welland, Ontario and Kenneth L. Anderson, Insurance R. & R.

Adding to the congress success were room-hopping sessions conducted by local members of the Million Dollar Round Table. Subjects covered included employee benefit plans, business insurance, estate analysis, package selling, will approach and programming.

Mr. Lincoln emphasized that well-planned incentive programs are essential to bring a rapprochement between management and labor and eliminate friction between them. Since his company adopted such a program in 1934, he said reduction in man hours per unit produced is 92% and the productivity per man is four times as great as that of three of the country's leading industrial organizations.

Stressing the universal benefits of life insurance, Mr. Lo Bosco said no other man can ever compare his work with that of the agent in respect to removing fear of the future from death, disability and old age. Mr. Anderson observed that it is organized efficiency that counts, adding the agent should give his job a day's work and not only a day's time.

Organize New Associations at Mount Airy, N.C., Jamestown, N.D.

Local affiliates of National Assn. of Life Underwriters have been organized at Mount Airy, N.C., and Jamestown, N.D.

Mount Airy Assn. of Life Underwriters has elected Charles L. Shelton, Pilot Life, president and William W. Haynes, Home Security Life, secretary. There are 25 members.

Central North Dakota Assn. of Life Underwriters at Jamestown has elected John Neukircher, Pioneer Mutual Life, president, and Clyde A. Johnson, Penn Mutual Life, secretary. There are 16 members.

Ontario Sales Congress Expands

The Ontario Sales Congress will utilize two halls of the Royal York hotel for its meeting March 9. Four speakers, Frank Bettger, author, William Cooper, Prudential, agent from

Vermont, R. L. McMillon, Business Men's Assurance agent, and Dean Rowe, Mutual of New York, will do double duty, giving their talks twice. The two halls will provide enough space to handle 2,200 delegates.

D.C. Assn. Honors Grayson for Service

District of Columbia Assn. of Life Underwriters has presented its annual Bernard L. Wilner award to Louis J. Grayson, Travelers, for his contributions to life insurance in the past year. The award was presented by H. Cochran Fisher, Aetna Life, chairman of the award committee.

Mr. Grayson, who entered the business with Travelers in Washington in 1932, is a trustee of National Assn. of Life Underwriters, chairman of NALU's committee on veterans' and service-men's affairs, and past president of the D.C. association. He is a CLU and member of Million Dollar Round Table.

J. Hicks Baldwin, general agent of New England Mutual Life and association president, conducted the program. Samuel J. Sugar, Penn Mutual Life, was moderator of a panel on ways to sell \$1 million. Participants were Rudolph Arkin, Massachusetts Mutual Life, Henry A. Hirsch, New England Life, and Frederic V. McNair III, Jefferson Standard Life. All are members of MDRT.

State Assn. President Urges More Insurance Laws in Miss.

L. G. Lewis, manager of Life & Casualty of Tennessee at Jackson and president of Mississippi Assn. of Life Underwriters, has called upon the next session of the legislature to pass laws "to prevent fly-by-night companies and persons with get-rich schemes from selling policies in the state."

Mr. Lewis, addressing agents from 17 counties and members of the legislature at Tupelo, said more insurance laws should be enacted and published to inform the public about companies. He also suggested a law requiring agents to meet certain qualifications before receiving a permanent license.

Life Members of Columbus Assn.

J. W. Millholland, retired general agent for Ohio National Life, and Charles R. Garvin, Connecticut General Life agent, both of Columbus, O., have been given honorary life membership in Columbus Life Underwriters Assn. Both charter members of the Columbus association, Mr. Millholland was in the life business 44 years and Mr. Garvin 46 years.

New England Sales Meet March 15

Boston Assn. of Life Underwriters will sponsor the annual all-day New England sales conference March 15 at Hotel Statler, Boston.

Speakers will be Cecil J. North, vice-president of Metropolitan Life; Emory J. Wilson, Northwestern Mutual Life, Martinsville, Va.; Barnes C. Anderson Jr., Northwestern Mutual Life, Philadelphia; and William H. Gove, vice-president for sales of EMC Recordings Corp. A film strip, "Is This Your Life?", will be shown.

N.Y. to Hear Olsen, Marechal

New York City Assn. of Life Underwriters held an educational meeting with Oscar B. Olsen, Northwestern Mutual Life, New York City, speaking on "The Necessary Ingredients to Produce a Million." He is a member of Million Dollar Round Table. Louis P. Marechal, director of passenger sales of Trans World Airlines, discussed "The Telephone as a Sales Tool."

Support Qualifications Law

Fredericksburg, Va., Assn. of Life Underwriters has endorsed the state association's proposal for an agent's qualifications law which would require all applicants for licenses to sell life to pass an examination.

Holz, Palo, McFarland to Address N.Y. Meet

Superintendent Holz of the New York insurance department, Umberto A. Palo, Prudential, New Brunswick, N. J., and Kenneth McFarland, educational consultant to General Motors Corp., have been added to the list of speakers for the all-day sales congress of New York City Assn. of Life Underwriters on March 8 in Town Hall, New York City. Other speakers were listed in the Feb. 17 issue of THE NATIONAL UNDERWRITER.

St. Louis Underwriters' Seminar

The annual seminar of St. Louis Life Underwriters Assn. will be held March 17 at Washington university, conducted by Robert J. Lawthers, benefits and pensions director, New England Mutual Life.

Peninsular Life Promotes Three

Peninsular Life has promoted James D. Renn from secretary to vice-president in charge of underwriting and Jack H. Quaritius from administrative assistant to administrative vice-president. Mrs. Mary R. Mills, who has been assistant vice-president, was named secretary.

Pittsburgh—Six members of Butler branch discussed "The Insurance Sale" at a recent meeting. Carl L. Ensley, district manager of Prudential at Pittsburgh, spoke on "Closing the Easy Way" on Jan. 12 at New Castle branch. George H. Valentine, assistant manager of Metropolitan Life at Easy Liberty, told Beaver Valley branch on Jan. 13 "Why—Not How—Men Buy Business Insurance." William E. Wrenshall III, assistant general agent of Connecticut Mutual Life at Pittsburgh, discussed "Make the Prospect Talk" at Washington branch on Jan. 11. Robert B. Fisher, assistant superintendent of Knights Life at Pittsburgh, spoke on "Service to Success" to Fayette county branch on Jan. 19.

Spartanburg, S. C.—W. G. Morrison, manager of Life of Georgia at Charlotte and secretary of the North Carolina association, spoke on "Three Types of Men."

Syracuse—William Coogan, Penn Mutual Life, Joseph Romano, National Life of Vermont, Walter Sullivan, Massachusetts Mutual Life, and Edward Welch, New England Mutual Life, described ideas and procedures valuable in giving professional advice for solving clients' financial needs. Forbes Tuttle, Massachusetts Mutual, was moderator.

Beloit, Wis.—John Ellis, Beloit investment banker, discussed the relationship of investments and life insurance at a meeting of the Southern Wisconsin association. The group enjoyed a venison dinner, a treat provided by R. L. Joiner, Bankers Life.

Milwaukee—Several subjects were discussed at the January meeting with a number of leading member-agents participating. The "split-dollar" plan was explained as one that provides that a corporation can enter into an agreement with an employee to name his wife direct beneficiary to the extent of the difference between the face amount of the policy and its cash value.

Pasadena, Cal.—Education and self-organization was the topic of a talk by John Danielson, Prudential. The Pomona branch was addressed by Gordon Farrar, Northwestern Mutual.

BRANCH MANAGER OPENINGS

IN

- Houston
- Beaumont
- El Paso
- San Antonio and
- Corpus Christi, Texas

Write to: AGENCY DIRECTOR
EMPLOYEES SECURITY
LIFE INSURANCE COMPANY
A Legal Reserve Full Capital Stock Co.
Grand Prairie Texas

LIFE INSURANCE GENERAL AGENCY OPPORTUNITY

To the top quality man in the life insurance business who is disturbed by his present position, who has the qualities of leadership, and who knows he can build a successful agency, we say, "Get on our team . . . we will not let you fail."

We will back you with substantial cash, direct mail, advertising in your town, real recruiting, agent financing, and successful training. We are talking about a high quality, top-notch agency. We do have the material to help you succeed . . . everything!

All forms in life insurance (including the LICA DIAMOND: A plan . . . a way of selling life . . . complete from "mail to sale" . . .) Accident and Health. Hospitalization.

Some opportunities available in Illinois, Indiana, Pennsylvania, Maryland, and Delaware.

Write for personal interview.

Jay Arnet, Director of Agencies

LIFE INSURANCE COMPANY OF AMERICA
WILMINGTON 99, DELAWARE

Comprehensive Major Medical Has Problem with Its 'Suppliers'

NEW YORK—Low-deductible comprehensive major medical insurance's effect on "suppliers"—doctors, hospitals, nurses, and druggists—is a problem that has to be wrestled with in getting acceptance for this kind of coverage, said John L. Garman, group department secretary of Connecticut General Life, at the seminar sponsored by the Bureau of A&H Underwriters and H&A Underwriters Conference.

"In cases where the introduction of the deductible and coinsurance requires the insured to pay a larger share of his medical costs, the collection problems of the supplier may become more acute," Mr. Garman pointed out. "Obviously, too, when the blanket approach to coverage applies, no one of the suppliers has any prior claims to the benefits that are payable. The deductible also poses problems to hospitals in the administration of their admission practices.

"All of these factors can lead to a feeling, particularly on the part of hospitals and surgeons, since they have been the principal suppliers to whom the conventional benefit plans have been pointed, that this approach is less desirable.

"In viewing this category of problems, we must not lose sight of the fact that the impairment of our relationships with the suppliers of services must be of vital concern to us, for the complete cooperation of these people is essential to the continued effectiveness of our medical expense insurance coverage."

Mr. Garman observed that as further progress is made "perhaps we can find ways to solve the problems and eliminate the disadvantages without changing the approach. On the other hand, an entirely different approach may be necessary."

Besides the effect on suppliers, Mr. Garman mentioned the general category of problems which he labeled "employee resistance." These stem from the insured's being accustomed to being paid for small bills and being unaware or unappreciative of the hazard of catastrophic charges. Even though he admits he could handle smaller bills personally he may not want to. Maybe he would rather have these bills paid through a prepayment insurance plan even though doing so would be more costly.

"We must not lose sight of the fact that our insureds are constantly exposed to the 'easy monthly payment' sales approach from other sources," he emphasized.

A second general category is "employee appreciation." Regardless of the reasons that influence employers to buy plans for their employees or to make the facilities available, the employer has a right to expect that a good plan, properly designed and successfully administered—one that is made possible only through his cooperation—will improve the relationship that exists between him and his employees.

Employee appreciation may be influenced more by claim checks received than by the peace of mind resulting from protection against a serious financial hardship, Mr. Garman commented. Under a comprehensive plan a limited number of people will receive infinitely greater reimbursement but there will be fewer of them than

the number who would receive either no reimbursement or a smaller amount.

"Isn't this a disadvantage or a problem that we are obligated to point out to the buyer?" asked Mr. Garman.

The speaker also dealt with the various advantages of the comprehensive major medical plan—protection against catastrophic charges, reimbursement for practically all types of medical charges, and a moderate premium rate influenced by the deductible and coinsurance features, making it possible to serve a greater number of people.

U. S. Life Introduces 30-Year Mortgage Cover

U.S. Life has introduced a reducing term policy to protect home mortgages for a 30-year period in line with the federal government's reinstatement of a 30-year mortgage plan. The policy can cover any mortgage guaranteed by the veterans administration or insured by the federal housing administration.

The policy features a conversion privilege so that at any time prior to age 60 the policy may be converted for its then full value to a life or endowment policy. While the policy gives

protection for 30 years, premiums are paid for only 26 years.

The policy is issued from ages 20 through 45 inclusive and can be written non-medically to \$10,000 up to age 30 and to \$5,000 from age 31 through 40. Optional waiver of premium is available for issue to age 45 and the monthly income benefit is issued to age 40.

Name Mandel N. E. Life Supervisor

Milton Mandel has been named supervisor of the Schmidt agency of New England Mutual Life in New York City. He has been with Metropolitan Life in New York City since 1950.

GETTING ALONG WITHOUT IT

It is only human for an advertiser to question occasionally the necessity of using The National Underwriter for advertising purposes. Sometimes an executive will say, "I guess our company can get along without advertising in your paper."

Of course it can, but why should it want to?

A company can "get along" without many things—without sufficient equipment or an adequate home office staff; without modern sales plans, intelligent field supervision, progressive management or even carbon paper.

Some do. But the most aggressive, most successful and most profitable do not. Instead they adopt every possible means of building themselves up, of expanding their operations. Their attitude is affirmative and positive—the very opposite of negative.

A company that is doing no more than "getting along" is a company on the way out. Jot down the names of the half dozen companies that you regard as your most active and alert competitors. Would you say no more of them than that they are just "getting along", or would you agree that they are wide awake, intelligently managed and committed to the belief that "To make money, you have to spend money"?

Nearly all such companies advertise in The National Underwriter; regularly, consistently and with gratifying results.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



No. 35 of a series

Sales Ideas That Work

Eiber Explains "Reverse Presumption of Survivorship" Clause in Life Policies

NEW YORK—Policyholders who are subject to estate tax are missing a good bet in failing to include a "reverse presumption of survivorship" in life insurance policies that qualify for the marital deduction, and agents are also missing a good bet in failing to point this out to their clients, said Bernard M. Eiber, co-general agent of Mutual Trust Life in Brooklyn, at the Nassau county estate planning council meeting in Freeport.

Bernard M. Eiber

Mr. Eiber pointed out that the law in New York, as in many other states, provides that in the event of simultaneous death of a testator and beneficiary, the testator "shall be deemed to have survived the beneficiary." The New York law also permits a "reverse presumption of survivorship," so that the testator can provide in his will that in the event of simultaneous death of himself and a legatee or devisee he, the testator, shall be deemed to have predeceased the beneficiary. The same provision can be put into a life insurance policy and if it is desired it must be done in this way: it must be specifically requested since its inclusion in the will does not affect the life insurance contract.

One of the main reasons for the reverse presumption is the preservation of the marital deduction, said Mr. Eiber. He gave this example: Suppose Joe Testator has an adjusted gross estate of \$200,000, which he leaves to his wife so that one-half qualifies for the marital deduction and the other half is placed in a non-marital deduction trust with income to his wife for life and ultimate vesting in his children. Assume also that Mrs. Testator does not have an estate of her own.

If Mr. and Mrs. Testator die under circumstances that do not make it possible to determine which one sur-

vived, section 89 of the New York law provides that his property is distributed as if his wife had predeceased him. This would call for a combined federal and New York estate tax of \$34,000, as it would not have been possible to take advantage of the marital deduction because Mr. Testator did not leave a surviving spouse.

However, if the reverse presumption of survivorship had been used properly, that is, applied only to the half that qualified for the full marital deduction, then in the event of simultaneous death, with the reverse presumption of survivorship one-half of Joe Testator's estate would qualify for the marital deduction, tax-free, and the other half would go directly to Joe Testator's secondary or ultimate beneficiaries, necessitating a tax payment of \$5,800.

Mrs. Testator's estate (the portion that qualified for the marital deduction) left to her in her husband's will, by virtue of the reverse presumption of survivorship, would necessitate the payment of federal and New York estate taxes of only \$5,800, thus making it possible in the event of the simultaneous death of Mr. and Mrs. Joe Testator for the estate of \$200,000 to go to his children or other ultimate beneficiaries with a tax cost of only \$11,600.

Mr. Eiber pointed out that it is true

Hardy Shows Off His 'Starting Blocks' for Use in Race to Get Employee Benefit Plan Business

When sizing up an employee benefit plan prospect, first determine whether the company is a real prospect, William B. Hardy, million dollar producer for New England Life at Cincinnati, told a room hopping session that was part of the annual Cincinnati sales congress.

"What I want to do in the first interview is probe, disturb, and qualify the prospect," Mr. Hardy said. If the company is a prospect, he said, the prime objective then is to prove he is the one who can do the best job.

Mr. Hardy gets as much information as he can in advance, from his contact, sometimes too, from Dun & Bradstreet. He is interested in the type of business, history of earnings, employer-employee relationship, and any employee benefit plans already in effect.

Armed with this information, he congratulates the prospect on his company and its accomplishments and proceeds to ask some vital questions such as, "I understand you have a group term life insurance contract in effect, but that it is limited in amount to \$5,000 for even your top executives. Why is it so limited? Has your company ever considered a pension or profit sharing plan for its employees? Do you have a problem in attracting or holding top personnel in your organization, as other employers with somewhat similar businesses tell me they do?"

These questions usually bring a quick answer and lead into the discussion desired. Other questions follow, a pattern unfolds and Mr. Hardy can determine whether he may do the prospect and himself some good.

At that point, he asks for payroll data or other information necessary to construct a plan for consideration. If

that there would be additional administration and probate expenses on the \$100,000 that represents the marital deduction property that would go to Mrs. Testator, but this amount could not possibly equal the savings of taxes accomplished by the use of the reverse presumption.

It is interesting to note, Mr. Eiber said, that most life companies have received few if any requests from policyholders or agents for the inclusion of a reverse presumption of survivorship in life insurance policies that qualify for the marital deduction.

Practically every life company will agree to the inclusion of a common disaster or a time clause in a life policy and some companies even include it automatically, but in such a case the only real benefit to be derived in the event of a common disaster is that the proceeds will go directly to a contingent beneficiary instead of going to the primary beneficiary. A marital deduction benefit is lost in such an instance, Mr. Eiber pointed out.

"The reverse presumption of survivorship in a life insurance policy which qualifies for the marital deduction is particularly important in those estates that are composed largely of life insurance," said Mr. Eiber. "This could affect most decedents in the middle-class—those in the \$100,000 to \$300,000 bracket, which would include most professionals and others in a personal service business."

the interest is genuine, he said he has seldom failed to get an agreement to supply the data. If not, he looks for another prospect.

Mr. Hardy said he had not devoted a great deal of time to group term and wholesale plans, but they are number one on the hit parade. After asking his first question of six different employers in the last half of 1955, he sold four of them a supplemental group plan for their key employees.

W. J. Casey and J. K. Lasser say, "Group insurance, although limited in amount, is the best buy taxwise. The company gets a full deduction. If it's group term, there is no tax to the employee, and it is now possible to give each employee, including executives, coverage in the amount of one or two year's pay." Group is a "cinch to sell almost any employer with 25 or more employees," Mr. Hardy stated. Often, the agent only has to ferret out the prospect and a group representative will do the rest.

Group annuity deposit administration plans can be stretched to fit any true employment turnover plan today, he said. A large plan he lost 12 years ago would not necessarily be lost today because the deposit administration plan offers all the uninsured plan will, with some guarantees the self-insured plan can't offer. Here is another spot for the agent to bring in his group associate.

He said he made it a practice personally to consider group underwriting on life insurance when there are 25 or more lives, in accordance with Ohio law, and group annuity or deposit administration group annuity on groups of 25 to 100 lives and up, depending on

other factors, such as what other benefits besides pension are being considered, the type of group to be covered, such as hourly wage or salary or both, and how much money the prospect can afford to spend.

Mr. Hardy said he wants an introduction, preferably a personal or written one, on the basis that he is a consultant in the field of employee benefit plans and would like to discuss the matter with the prospect as it applies to his company. He wants it understood that the first interview is merely to exchange ideas, not to sell anything.

Union Mutual Appoints McCarty to Sales Post

Union Mutual Life has appointed Gerald N. McCarty assistant director of sales promotion and advertising.

Mr. McCarty has been managing editor of the trade paper, *Maine Coast Fisherman*, for 5½ years and is author of a monthly column "Down East", which appears in *Yachting Magazine*.

Pru Awards Trophies to Leaders in 1955

Prudential has awarded its president's trophy for all-around accomplishment to the New Brunswick, N.J., district managed by Russell H. Griesback. The district won president's citations in 1950, 1951 and 1954.

Richard D. Harris, Pomona, Cal., and Melford H. Grimm, Whittier, Cal., tied for the president's trophy for agents.

The trophy for staffs went to David F. Good's unit in Youngstown, O.

The trophy for districts less than four years old went to Boise, Ida., managed by Arthur L. Freeman. Staffs less than four years old were led by Victor C. Boyd's unit at Las Vegas.

A president's trophy for the leading region, awarded for the first time, went to the Illinois state region. First-ranking regional home office was the north central home office in Minneapolis.

Introduce Bill in India to Nationalize Life Business

Finance Minister C. D. Deshmukh of India has introduced in parliament a bill to nationalize life insurance in India and establish a statutory corporation to carry on the business. The government recently took control of all life business in India by special ordinance.

The corporation would be established with an original capital of 50 million rupees provided by the government. It would have exclusive right to carry on the life business in India. Other functions would include capital redemption business, annuity business, or reinsurance business as far as it pertained to life insurance.

Bulkley to Monarch Legal Post

Monarch Life has appointed James S. Bulkley general counsel to succeed Gurdon W. Gordon, who continues as vice-president.

Appointment Bill Viewed Dimly

A bill that would authorize the governor to appoint the insurance commissioner has been given an unfavorable report by the house labor, commerce and industry committee of the South Carolina legislature. The commissioner is now appointed by the legislature.

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

Insures

The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
Secretary

HOME OFFICE — SYRACUSE, N. Y.

Says FTC Has No Wish to Be Overlord

(CONTINUED FROM PAGE 1)

industry and National Assn. of Insurance Commissioners showed that it could rely on zone examinations.

Mr. Pansing emphasized that the ICC got into this only through the exercise of its proper function. He expressed the belief that if each of the incidents of federal-state conflict over insurance regulation could be brought completely into the light no evidence of any "dark plot" would be found.

Even the health reinsurance pool proposal, he said, which he believes is "dead as the dodo," was only the result of bad advice to President Eisenhower, who thought that in some way he had to respond to the demand for health insurance and this would be a good way to do it within the framework of private insurance.

In connection with the FTC's activity, Mr. Pansing pointed out that there are four states—Mississippi, Missouri, Montana and Rhode Island—and the District of Columbia that have no laws governing misleading advertising. Hence public law 15, which excludes the federal government where insurance is being adequately regulated by the states, would not apply and the FTC act presumably would operate.

Mr. Pansing recalled that in 1952 one of the large newspaper chains went after the A&S business, urging readers to send complaints to the FTC. The FTC was flooded with wild allegations about the poor job being done by the A&S insurers. Congressmen took an interest.

FTC officials say they were placed in a position where they had to act and they did act, Mr. Pansing said. They issued complaints against 17 A&S insurers and later against 24 others.

"The most important point," said Mr. Pansing, "is that the citation of these companies was foreseeable."

It was foreseeable, he explained, because not all states had divested the FTC of regulatory authority by passing the requisite laws. Where there were no laws on misleading advertising it was obvious that the FTC would move in.

"No honest man will say the FTC has no regulatory authority," said Mr. Pansing. "The argument is: 'How much?'"

The speaker called attention to the difference between the attitude of the FTC commissioners and that expressed by some of the FTC staff.

"The commissioners themselves are making no such wild claims as some of the staff members," he observed.

Mr. Pansing said the "new approach" of NAIC and the insurance industry is that since the FTC has some jurisdiction and everybody grants it, "we felt it unwise to go to the U. S. Supreme Court with a bad set of facts." He said the feeling was that the effort should be to get the FTC to concede that the matter is being handled by the states and hence the FTC's duty doesn't require it to prosecute clear to the end. Then there would be a chance to mend legislative fences and the commissioners and the industry would be in a much better position as respects jurisdiction.

Mr. Pansing made a tremendous impression on his audience by not acting at all impressive. Right at the start he endeared himself to his listeners when, in a tribute to New York's

affluence, insurance superintendent, and chief deputy by identifying himself as "the poor man's Leffert Holz—without Julie Wikler."

Besides Mr. Pansing, those on the program included Charles J. Zimmerman, managing director of LIAMA; Charles E. Drimal, general agent of Penn Mutual at New York; James J. O'Leary, director of investment research of Life Insurance Assn. of America; Robert W. Osler, vice-president of Rough Notes Co. and editor of the *Insurance Salesman*; and Vincent B. Coffin senior vice-president of Connecticut Mutual Life.

Fred H. White, Massachusetts Mutual, Buffalo, was chairman. The meeting was opened by A. Stewart Payne, general agent at Binghamton for Security Mutual Life of that city, president of the state association.

Some of the talks are summarized in this issue. Others will be reported next week.

Connor Joins Occidental Life at Philadelphia

James P. Connor Jr. has joined Occidental Life of California as assistant superintendent of agencies for the eastern division, at Philadelphia under Sydney S. Dunning, field superintendent of agencies.

Mr. Connor had been manager of Confederation Life's Philadelphia suburban agency for the past year and has been in the business more than a decade. He was an agent and assistant district manager for John Hancock for eight years before joining Confederation Life in 1953. He is a CLU.

Equity of Neb. Gets A&H License

Equity Ins. Co., the new company at Omaha, has received its license to do an A&H business. Capitalized at \$1 million, Equity now is selling additional stock preparatory to obtaining a life license.

Leo Minarik is president, Nuncio Pomodoro senior vice-president and the vice-presidents are J. Herbert Freeman and Bert G. Peacock. Offices are at 103 North 40th street.

Harmelin Tops Columbian National

William Harmelin, field supervisor of the Harmelin agency of Columbian National Life in New York City, led the company in 1955 personal production with \$1,349,000.

The company named Mr. Harmelin its outstanding field man in 1955 for the second successive year for his contributions to his agency, the company and the business. He teaches and writes on insurance, also.

New Loan Plan for N.W. Mutual

Northwestern Mutual Life has developed a program under which it will directly finance small independent telephone companies on a standard loan agreement. Loans of \$50,000 up to \$250,000 will be made on 25-year mortgage notes.

The annual interest rate will be 5%, with the loans made up to 60% of net telephone plant at original cost, including additions.

Yancey to Okla. for Prudential

Charles M. Yancey, formerly manager of Prudential's Hampton Park district, St. Louis, has been appointed manager at Oklahoma City. He is succeeded at St. Louis by Arthur Williams, formerly staff manager at Washington, Mo. Mr. Yancey has been with Prudential since 1944, joining the company at Kansas City and later becoming staff manager there. He went to St. Louis in 1951.

January new business for Bankers Life of Iowa totaled \$21,820,815, an increase of more than \$1½ million over the same month last year.

Pansing Asks for Suggestions on A&S Ad Code Interpretation

Director Pansing of Nebraska, who is serving as chairman of the sub-committee on interpretation of NAIC rules governing A&S advertising, has sent an open letter to insurance commissioners, companies, trade associations and others interested in the code asking them to offer recommendations on interpretations.

The companies are requested to try to write advertising within the terms of the rules and then communicate with their trade associations for transmittal of any suggestions they may have as to particular rules or parts of rules which need special interpretation.

Companies which are not members of trade associations are invited to send their suggestions to Mr. Pansing and his committee, "both now and from time to time in the future."

Mr. Pansing points out that it is important to have suggestions early so as to avoid the problem of last minute

demands for interpretations, although the present concept of the work of the sub-committee contemplates a permanent existence for continuing discussion of proposed amendments to the rules themselves as well as new or changing interpretations.

Mutual Trust Ups Bussian

Eugene F. Bussian has been named educational director of Mutual Trust Life. Before his appointment, Mr. Bussian was with the Ware agency of Mutual Trust at Milwaukee for five years. He is a CLU.

Harris Heads Houston-American

John Harris has been elected president of Houston-American Life and Finance Corp. He was formerly executive vice-president.

Ralph Tureaud was elected executive vice-president and agency director of the life company. Harry Keyser was named vice-president in charge of operations of the finance corporation.

M. V. Cory was elected president of Houston-American Life Underwriters, parent company of the life and finance companies.

George Pearson is new board chairman of the parent company, and Ben Ogletree is new vice-chairman

P

It's a Premium

I

Investment

P

Plan for • Education

- Investment
- Retirement

The Premium Investment Plan offered by Bankers Life of Nebraska guarantees a full return on deposits in twenty years plus family protection for twenty years beginning now. This plan accumulates a cash value in twenty years equal to the twenty premiums paid.

This plan has been specifically designed to afford both protection and profit, and has been geared to meet any family need: education, investment and retirement plus offering maximum insurance protection should the insured die before completion of the twenty payments.

SINCE 1887

Bankers Life
INSURANCE COMPANY of Nebraska

HOME OFFICE • LINCOLN

EDITORIAL COMMENT

Is the Public Wising up to SS Costs?

It's encouraging to see so much concern over costs being displayed by members of the Senate finance committee who are holding hearings on proposed social security expansion. For a long time, the life insurance experts, whose business it is to determine the present cost of future benefits, were about the only ones protesting against social security proposals that had all the unsound lure of one-year renewable term insurance.

More and more people are now coming to see that the life insurance spokesmen were not just trying to protect their own preserves from federal poaching but were calling attention to the very real danger that social security costs could get out of hand before enough citizens realized where it was all leading.

Perhaps the most dangerous feature of social security in a democracy is that it is virtually impossible, as a political matter, to reverse the expansion process, no matter what the cost consequences may be. As operated thus far, social security is a lot like the old assessment and step-rate term insurance plans that were so attractive and then so financially disastrous a half century ago. The disillusionment was agonizing and costly for those affected but it had to be gone through with because there was no all-powerful government to remedy the perpetrators' folly by putting a huge bite on ever-available taxpayers.

Social security, though, can't be allowed to fail, even though some of its excrescences may prove monstrously unwise. The price of folly will not be destitution for widows of men who had lost both insurance and insurability. Rather it will be tax boosts that anybody with an ounce of sense could have seen were inevitable; the corruption of citizens tempted by benefits they're not entitled to but can get by mild fakery; and the temptation to legislators and candidates to buy votes by outdoing each other in promising the citizens ever more lavish benefits—paid for of course out of the people's own earnings via the tax gouge.

Fortunately, there were indications at the Senate finance committee hearings that already the boost in social security taxes has begun to pinch. It is especially hard on the self-employed. The illusion that money paid out by the government costs nothing is something that dies hard. But there are signs that even though social security isn't the

same as insurance it is similar in that benefits have to be paid for.

When it is understood that fancier social security coverages will mean not only higher taxes but very likely further inflation with all its attendant evils, a lot of people who have been considering social security to be a form of a free or practically free insurance are going to get a jolt that will cause them to do some thinking.

When the taxpayer gets over the notion that the nice, secure income he will get from social security is going to be paid for by his taxes, and not just by the rich people, he is going to be much less likely to fall for the campaign oratory of "salesmen" who talk big about benefits but gloss over the cost.

Perhaps enough taxpayers are beginning to hear the thunder of the falls while there is yet time to avoid going over the brink. If this year goes down in history as the time when the citizens at last wised up to the realities of social security costs, 1956 will need no further claim to fame.

PERSONALS

H. P. Gravengaard, vice-president of the National Underwriter Co., executive editor of the Diamond Life Bulletins department, has been included in the new supplement to *Who's Who*. The supplement is made up of biographies of persons considered by the editors to be of reference interest currently. Mr. Gravengaard is the author of the Gravengaard Business Insurance Texts and brochures which have sold more than 500,000 copies.

Powell B. McHaney, president of General American Life, has been elected to the board of General Contract Corp. of St. Louis, a bank holding, insurance and finance company operating in mid-America.

Byron K. Elliott, executive vice-president of John Hancock, has been reelected for a 1-year term to the board of National Industrial Conference Board.

Louis F. Champeau of the advanced sales division of Connecticut Mutual Life has been named chairman of the insurance division of the 1956 Red Cross fund drive in Hartford.

Chester O. Fischer, vice-president of Massachusetts Mutual Life, has been named chairman of the 1956 United Fund-Red Cross campaign in Spring-

field and recently was appointed to the advisory committee on united funds of Community Chests & Councils of America.

P. E. Baehr, manager of Midland Mutual Life's mortgage loan department, has been elected president of Columbus Mortgage Bankers Assn. Mr. Baehr has been with Midland Mutual since 1930 and has headed mortgage loan operations for two years.

Lawrence M. Crawford, Equitable Society, Libertyville, Ill., has been voted man of the year in Libertyville by his fellow townsmen.

Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, has been elected secretary of United Community Funds & Councils of America, Inc., which embraces 1,900 united funds and community chests in the U. S. and Canada.

James L. Madden, 2nd vice-president of Metropolitan Life, has been reelected to the board of National Industrial Conference Board.

John W. Yates, general agent of Massachusetts Mutual Life at Los Angeles, has received the Will G. Farrell achievement trophy, awarded annually by Los Angeles Chamber of Commerce to a county resident who has been in insurance during his lifetime and who has performed distinguished public service outside his regular business. **Vice-president Charles H. Schaaf** made the congratulatory speech on behalf of the company.

DEATHS

NATHAN ROZOVSKY, with Great-West Life at St. John, New Brunswick, for 31 years, died. He was 69. Since starting with the company in 1925, Mr. Rozovsky qualified for the President's Club 25 times, the last in 1955.

MARGARET G. MAST, wife of Walter E. Mast, Los Angeles manager of Continental Assurance and well known in the California A&S business, died following a long illness.

JAMES P. QUARLES, 78, Equitable Society, Charlotte, with the company for 53 years and past president of North Carolina Assn. of Life Underwriters, died after an illness of two years.

WILLIAM HAGGERTY, 48, Santa Ana, Cal., manager for Metropolitan Life, died at his home following a short illness. He started in insurance at Butte, Mont., and went to the west coast about 15 years ago.

CHARLES F. SCHERMERHORN, 73, long-time Occidental Life of California agent at Los Angeles, died on the exact date that marked his 30th anniversary with the company. He was with the DeVries agency. A member

of the company's principal production clubs, he had written at least one application a week for more than 20 years.

Medical Research Fund Is Headed by Shanks

Carroll M. Shanks, president of Prudential, has been elected 1956-57 chairman of Life Insurance Medical Research Fund.

Mr. Shanks succeeds M. Albert Linton, chairman of Provident Mutual Life, who has been chairman of the fund since it was organized 11 years ago. They also were reelected to the board.

Frazar B. Wilde, president of Connecticut General Life, was elected vice-chairman of the fund. **Leigh Cruess**, vice-president of Mutual of New York, and **Morgan B. Brainard Jr.**, vice-president of Aetna Life, were reelected secretary and treasurer, respectively.

Elected to 3-year board terms were **George W. Bourke**, president of Sun Life of Canada, and **Frederic W. Ecker**, president of Metropolitan Life. They succeed **E. C. Gill**, president of Canada Life, and **James R. Wood**, president of Southwestern Life.

Horace W. Brower, president of Occidental Life of California, was elected to a 1-year board term to fill the unexpired term of **Raymond R. Brown**, president of Standard of Oregon, who died in September.

Equitable to Oppose Railroad Stock Plan

Equitable Society, a substantial holder of senior bonds of Missouri-Kansas-Texas Railroad Co., will petition interstate commerce commission not to approve a proposal by "the Katy" to exchange prior lien bonds and other debt securities for 667,005 shares of cumulative preferred stock, which have accumulated dividends of \$154 per share, totaling \$102,718,770.

Hunter Holding, 2nd vice-president of Equitable Society, said the proposed exchange plan, which would use senior debt securities to pay a substantial portion of the preferred claims, would "give the railroad an unsound debt structure." It also would "dilute the security for the railroad's presently outstanding prior lien bonds."

Equitable owns \$7,059,000 principal amount of "Katy" first mortgage 4s, due 1990, and \$2,971,000 of three series "Katy" prior lien bonds, amounting roughly to 1/7 of the total of \$20,891,000 prior lien bonds outstanding. Under the proposal, preferred stockholders would receive prior lien bonds which would be secured by the same property and rank with those presently outstanding.

Joins Cal. Physicians Service

Etchel R. Paolini has been named vice-president and general manager of California Physicians Service (Blue Shield).

State Farm Life has been elected a member of Life Insurance Assn. of America.

THE NATIONAL UNDERWRITER

Life Insurance Edition
EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Robert B. Mitchell.
Assistant Editors: John B. Lawrence, Jr.
and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wi-ghaus, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Associate Editors: Charles C. Clarke and John C. Burridge.
Assistant Editors: Richard J. Donahue and Charles L. Manning.
Copy Editor: William L. Finnerty.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Manager for Indiana and Michigan.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 2-9157. William J. Gessing, Resident Manager.
MINNEAPOLIS 2, MINN.—1038 Northwestern Northwestern Manager.
NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.
NEWARK 2, N. J.—10 Commerce Ct., Tel. Mitchell 2-1306. John F. McCormick, Resident Manager.

OFFICERS:
Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Fred L. White, Resident Manager.

PHILADELPHIA 9, PA.—1027 S. Broad St., Room 1127, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



Facts Spell Profit for General Agent, Zimmerman Says

Profitable agency management calls for a delicate balance between sales management skills and business management ability, said Managing Director Charles J. Zimmerman of LIAMA at the annual management conference of New York State Assn. of Life Underwriters at Saratoga Springs.



C. J. Zimmerman

The general agent needs a great deal of factual knowledge if he is to get the volume he needs at a cost reasonable enough to let him make a profit, said Mr. Zimmerman. He must know whether personal production will or will not be a profitable activity for him, for example. If he goes in for civic work he should know enough about his time distribution to keep such activity from being unprofitable.

In getting and evaluating facts the general agent needs to know, for example, whether he should spend \$5 a square foot for downtown office space or \$3 for space in an outlying section. Perhaps contracts with brokers justify the downtown space. Perhaps it is just a matter of pride—which is all right if he can afford it. The big point, said Mr. Zimmerman, is to spend knowingly. Some expenditures may be foolish but at least the man knows what he is doing and has his reasons for doing it.

The general approach, said Mr. Zimmerman, should be to ask oneself, "Is this expenditure essential? Am I getting the results I am paying for?" For example, if the general agent has a supervisor, he should ask himself whether the supervisor knows the job that is to be done.

Financing calls for a great deal of deciding based on fact finding. Mr. Zimmerman pointed out that 78% of new inexperienced recruits are being financed, many of them at more than \$400 a month. A recent survey showed that the top 10% of men being recruited by the largest companies average \$512 a month and \$600 is not unusual.

The general agent must ask himself such questions as whether a \$600 month man is worth as much as two \$300 men and also whether the agency is prepared to give the higher priced man the training he needs to justify the higher guarantee.

Mr. Zimmerman asked his audience whether they really know how they

spend their time as managers. He indicated there is quite a variance between how managers think they spend their time, how they think they should spend their time, and how they actually do spend their time. He likened their situation to the lost airplane pilot who comforted his passengers with the assurance that "we're lost but we're making damn good time."

Mr. Zimmerman's conclusion was that in the future as now and in the past, profitable agency operation depends primarily on the general agent or manager.

"If you fellows do your job half as well as you know how to do it, you won't have to worry," he declared.

Daly, Ecklund Advanced by United Benefit Life

Richard L. Daly has been elected vice-president and treasurer of United Benefit Life, and Glenn Ecklund has been named vice-president of accounting and policy-owner service. Mr. Daly joined United of Omaha in 1949 and was named assistant secretary that same year. He was elected assistant treasurer in 1950 and in 1953 was elevated to treasurer and board member.

Mr. Ecklund joined United in 1935 and has worked in all phases of the company's accounting operation. He was made an assistant vice-president in 1954.

Guarantee Mutual Names Reynolds, Jones, Uren

Frank E. Reynolds has joined Guarantee Mutual Life as superintendent of agencies and the company has promoted Hodge L. Jones to associate actuary and C. Thomas Uren to assistant treasurer.



Frank E. Reynolds

After a teaching career, Mr. Reynolds entered insurance in 1946 as an agent of Acacia Mutual Life at Portland, Ore. Two years later he was advanced to manager at Tulsa, where he was president of the Life Underwriters Assn. He also is a past president of Tulsa CLU chapter and has served as an instructor of LUTC courses.

Mr. Jones started with the actuarial department in 1946. He is an associate of Society of Actuaries. Joining the investment department in 1946, Mr. Uren later advanced to senior security analyst.

Revere Names Criswell Training Supervisor

Paul Revere Life and Massachusetts Protective have named Donald H. Criswell western sales region training supervisor with headquarters at Seattle.

Mr. Criswell joined the companies eight years ago at Billings, Mont., and has been a supervisor. His father, Tony Criswell, was general agent at Missoula, Mont., until he retired in 1952.

Commonwealth Life Promotes H. R. Reynolds

Howard R. Reynolds, manager since 1948 of the Commonwealth Life Bluegrass district, Lexington, Ky., has been named director of district agencies. He joined Commonwealth at Fort Wayne, Ind., in 1934, and subsequently was assistant manager there and later manager at Indianapolis. He is a CLU and past president of Lexington Life Underwriters Assn.

L.A.A. North Central Meet Set for Chicago

The annual meeting of the North Central Round Table of Life Advertisers Assn. will be held at Chicago's Edgewater Beach Hotel, April 19-20. General chairman is Myron Jones of Union Central Life.

The meeting will convene under the theme of "Let's Talk—(You and Me)" and will consist of a series of informal discussions and forums devoted to assisting the individual company representative solve problems pertinent to his work.

Veasey, Fairfield, Life Get New Indianapolis Life Titles

Richard Veasey has been named underwriting vice-president of Indianapolis Life. With the home office for 28 years, most recently he has been manager of the new business department.

James P. Fairfield was named assistant actuary and John G. Life assistant manager of the mortgage loan department. Mr. Fairfield has been with the actuarial department since 1949 and Mr. Life joined the company in 1953.

Detroit Telephone Directory Published

The National Underwriter Co. has just published the 1956 edition of the Detroit Insurance Telephone Directory, in which are listed the names, addresses and telephone numbers of persons and companies active in Detroit insurance. Copies may be ordered from the National Underwriter Co., 420 E. 4th street, Cincinnati. The price is \$1.00.

Southland Life Directors Propose 50% Stock Dividend

Declaration of a 50% stock dividend along with an increased cash dividend of \$1.35 a share, effective March 2, has been recommended by directors of Southland Life. The proposals are subject to approval at the annual meeting March 13.

The transactions actually would raise the capital of the company to \$1,500,000 consisting of 300,000 shares with a new par value of \$5 each. The present capital is \$500,000, 200,000 shares of no par value. The total capital and unassigned surplus would be in excess of \$8,500,000.

Sixty-Second Year of Dependable Service

★ The State Life Insurance Company has paid \$198,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$86,000,000 in Assets for their benefit . . . Policies in force number 101,000 and Insurance in force is approximately \$225,000,000 . . . The State Life offers splendid agency opportunities—with liberal contract, and up-to-date training and service facilities for those qualified.

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

MANAGEMENT CONSULTANTS

O'TOOLE ASSOCIATES

Management Consultants To Insurance Companies

Established 1945
P. O. Box 101 Queens Village, N. Y.
Phone — Hollis 4-0942

BOWLES, ANDREWS & TOWNE

ACTUARIES
Insurance Company Management Consultants
RICHMOND ATLANTA NEW YORK

Travelers Makes Eight Appointments in Field

Travelers has made these field appointments:

William R. Keele, assistant manager at Toronto, has been transferred to Hamilton, Ont.

James F. Brewer III, agency service representative at Hartford, has been promoted to field supervisor there.

Samuel A. Hughes, field supervisor at Ottawa, Ont., goes to Toronto.

Named agency service representatives are John A. Forbes at Ottawa, W. Blair Little and William A. Neen, Vancouver, B.C.; William J. Harrison Jr., Atlanta, and Curtis L. Hackworth, St. Louis.

Describes Evaluation of High Level Jobs

Job evaluation to aid management in establishing acceptable salary standards up to the highest level of management now is in wide use by industrial, commercial and financial companies throughout the country, Edward N. Hay, president of Edward N. Hay & Associates, management and personnel consultants of Philadelphia, told Society of LOMA Graduates in New York City.

In evaluating high level jobs, it is necessary to obtain the participation and support of top and middle management, Mr. Hay said. To accomplish this, a complete revision of job evaluation methods has come about and the new procedure employs job-to-job relationship as the principal evaluating means.

The system now generally in use for evaluating high level jobs was termed the "guide chart—profile method" by Mr. Hay. Instead of a large number of measuring elements, this new system uses only these: know-how, which is the total of technical expertness and

practical skill; problem-solving, which is the amount of original, self-starting thinking required by the job for analyzing, evaluating, creating, reaching and making conclusions; and accountability, which is the measured effect of the job on end results.

The three evaluating elements are weighed for each case instead of following an established point value. A profile or percentage relationship between each of the three elements is established for each case. Mr. Hay cited a long list of companies which use the system for high level jobs.

Jeanes Agency, Chicago, Leads General American

The Jeanes agency of General American Life, Chicago, won the President's Million Dollar Cup for 1955, and the Agency Achievement Cup went to the Levine agency, Los Angeles.

Top individual award went to Elmer Rosenthal of St. Louis, who paid for \$1,120,546 in business in 1955, and for the second straight year was the company's volume leader. Fred R. Sale, St. Louis, was the A&S leader with first year premiums of \$5,776. James L. Williams, Birmingham, was top in group business with \$20,100 in premiums. Louis W. E. Laudel, the Roberts agency, St. Louis, was recruit of the year, writing \$883,648.

Mutual of N. Y. Names Supervisors

Mutual of New York has appointed John B. Meyers, Lawrence F. Manthei and R. J. Baranowski brokerage supervisors in Pittsburgh, Milwaukee and Chicago, respectively.

Mr. Meyers has been with the company for two years. Mr. Manthei has been with the company in Milwaukee for 25 years. Mr. Baranowski, who joins the Bash agency, has been manager of the life and A&S department of Stewart-Keator-Kessberger & Lederer, Chicago, for four years.

Cites Gains by Life Insurance in South

Total life insurance in force in the 13 southern states has increased 160% since the end of World War II, while the gain for the U. S. as a whole has been 120%, according to Mrs. Marion Stevens Eberly, director of the women's division of Institute of Life Insurance.

Mrs. Eberly, who reviewed life insurance for the annual conference of the home economics section of Assn. of Southern Agricultural Workers in Atlanta, said ordinary sales alone in the 13 states are 3½ times those of 1945 and are increasing at a faster rate than for the U. S. as a whole. The southern states are Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, Louisiana, Mississippi, North and South Carolina, Virginia, Tennessee and Texas.

The number of ordinary policies in the south rose by 50% in the last five years, compared with an increase of 28% in the U. S. Ordinary in force rose by 61% in the south in the same period, compared with 44% for the U. S.

The number of group life policies increased by 149% in the south and 91% in the U. S. Group in force rose 154% in the south and 123% in the U. S. Industrial increased in the south by a larger percentage than for the country as a whole.

Life insurance ownership in the south rose by 72% between 1949 and 1954 and benefit payments increased by 73%. Total payments in 1954 were \$862.3 million, compared with \$500 million in 1949. At this rate, it will not be long before annual benefit payments exceed \$1 billion a year in the south, Mrs. Eberly predicted.

N. Y. Life Cites Six Group Men for Outstanding Sales in 1955

New York Life has cited for outstanding group sales records in 1955:

William R. Livingston, regional group manager of the Canadian region, highest percentage of group case allotment by branch offices; Robert E. Purdy and Wade Davenport, regional group managers of the mid-Atlantic and midwest regions, respectively, highest incentive sales goals by district group offices; Fenwick Crane, Detroit, E. J. Anderson, San Francisco, and Robert Monahan, Los Angeles, led district group supervisors in sales activity, office supervision and policyholder relations.

John Hancock Assistant District Managers Attend Sales Seminar

Thirty-four assistant district managers of John Hancock attended a 1-week sales seminar at the home office.

The school was directed by Edwin P. Gunn, director of field training, and Charles N. Brennecke, supervisor of field training. The school reviewed recruiting and selection of agents, advanced methods of training and supervision, methods of prospecting and selling, settlement options, employee benefit plans and business insurance. Regional supervisors and home office executives addressed the group.

Indiana CLU Elects

J. Alvin Taylor, Franklin Life general agent at South Bend, was elected president of North Central Indiana CLU chapter, succeeding Joseph W. Hennessy, Jefferson National Life general agent, South Bend. J. Emmett Miller, Prudential staff manager, Michigan City, was elected vice-president and George Viger, Notre Dame professor, secretary-treasurer.

Illinois Agents Name Counsel

Illinois Assn. of Life Underwriters has named Norman P. Jones of Ensley, Martin, Jones & Blanchard of Springfield, as counsel. The law firm represents a number of other organizations in legislative matters.

Midland Nat'l to Be Under Life Companies, Inc., Aegis

Stockholders of Life Companies Inc., at a meeting at Richmond, Va., approved a contract to buy the majority of stock of Midland National Life of South Dakota.

The contract will be made with C. W. Murchison at Dallas, the majority stockholder, and will involve a transaction amounting to about \$3 million. Mr. Murchison together with John D. Murchison of Dallas organized Life Companies in 1955, and the two men own the majority of its stock. John Murchison is president.

Midland National stock will be acquired by transferral of Life Companies common at the rate of \$18.25 per share. The price of Midland National stock will be set at approximately the cost of acquisition when purchased by Mr. Murchison the latter part of 1954.

There will be no change in the operational location of the South Dakota company, or either of the two presently owned Life Companies subsidiaries, Atlantic Life and Lamar Life. H. Smith Hagan, president of Midland National and Wentworth P. Johnson, senior vice-president of Fidelity-Philadelphia Trust Co., have been elected to the Life Companies board.

Midland National, which last year had sales of about \$31 million, has \$126 million of insurance in force and assets of about \$22 million.

Conn. Mutual January Sales Set Monthly Mark

Connecticut Mutual Life sales in January totaled \$39,322,449, up \$1.6 million, for the company's best production month. January exceeded by \$400,000 the all-time high set last March.

Mouquin and Embry Agency Win Equitable Group Sales Contest

Louis H. F. Mouquin, New York City, won the "head man" title and the Embry agency at Kansas City won the "head agency" title in Equitable Society's annual group sales contest.

Other national winners are David J. Robison, Cincinnati, group life; W. L. Kettering, Pittsburgh, group A&S; and Henry A. Smith, Louisville, group annuities.

Departmental winners are Paul DeF. Hicks, New York City; T. James Brownlee, St. Louis; Arthur B. Shepard Jr., Albany; Robert O'Leary, Cleveland; Charles L. Garrettsen, Harrisburg; Harry Steiner, Chicago; Judson A. Thompson, Memphis; and Harold E. Rietz, Phoenix.

Class of '49 Stays Intact

California-Western States Life agency managers' class of 1949 was composed of eight agents and all these men today are still with the company in the management tasks for which they were trained at the home office. The eight are Allen O'Connor, San Rafael, Cal.; Ray Mellen, Spokane; Charles L. O'Donnell, Long Beach; Joseph Beaudin, Denver; John T. Taylor, Oakland; Lionel Sturman, Stockton, Cal.; Donald Conrad, Reno, Nev.; and Earl E. Beck, Fresno.



**BANK LOANS
ON VESTED
RENEWALS**

THREE OR FOUR
YEAR REPAYMENT

**UNDERWRITERS CREDIT &
GUARANTY CORPORATION**

340 Pine Street, San Francisco 4, California
Southern California & Arizona Branch Office
9935 Santa Monica Blvd., Beverly Hills, Calif.

KNIGHTS OF COLUMBUS

1882

Continued Sound Progress

1956

970,233 Members

344,448 Insurance members

625,785 Associate members

3,708 Councils

\$552,684,778 Insurance in force

\$113,558,696 Benefits Paid

\$108,012,265 Assets

110.05% Solvency Ratio

Joseph F. Lamb
Supreme Secretary

Luke E. Hart
Supreme Knight

Columbus Plaza—New Haven, Conn.

L. A. A&H Producers Discuss Non-Can A&H Market

Los Angeles A&H Producers Assn., at the January meeting, held a panel discussion of the "1956 non-cancellable A&H market" under the chairmanship of Walter McKee, Connecticut General Life.

Mr. McKee divided the subject into three parts, the market, which was handled by Martin Asher, Paul Revere Life; the 1954 revenue act, by Joseph Leiby, Massachusetts Indemnity, and programming in the A&H field, by Kenneth Stoakes, Loyal Protective Life.

Mr. Asher dwelt largely on the business man, whether sole proprietor, partner, or in corporation status. He said in any category the business man must be told the advantages of non-cancellable insurance. He said heads of corporations are outstanding in the market. He pointed out the low lapse ratio of the business as a marketing aid, declared the agent must sell his product to meet conditions, mentioned key man coverage as a marketing feature and closed by stating his opinion that the market consists of a select clientele.

Mr. Leiby declared that the 1954 revenue law leaves the door wide open for the underwriter who will master the salient features of the act, and cited just what the business man can buy. He pointed out the difference between the provisions of the law in respect to a corporation or a partnership in the matter of tax deductions, and then said that in the case of a sole proprietor many of the deductions he mentioned did not apply.

Kenneth Stoakes discussed the topic from the programming angle, and held that programming should be a must properly to meet conditions. He declared that practically all the producer's clients are underinsured. In this respect he quoted figures showing the increase in cost of hospitalization, physician's care, nursing, etc., and closed by urging his hearers to ascertain what their clients or prospects really need to meet existing economic conditions and then sell them coverage to fit those needs.

Hawaii Starts A&S Assn.

Hawaiian A&H Underwriters Assn. has been launched with the election of Francis Rawlins, Hawaiian Medical Service Assn., as president. Thomas Kuambe, Beneficial Standard, was elected vice-president; Seiji Motoki, Continental Casualty, secretary, and Peter Dillingham, West Coast Life, treasurer. Formation of the new association was guided by Rudy J. Kohl-russ, assistant vice-president of Security Life & Accident, a member of the executive board of International Association. Mr. Kohl-russ is chairman of the IAAHU zone in which Hawaii lies.

N. Y. Life Names Wood

New York Life has appointed Charles E. Wood manager at Springfield, Ill. Training supervisor of the southeastern division since last year, Mr. Wood joined the company at Memphis in 1949 and was advanced to assistant manager in 1951. He later served as assistant and associate manager at Macon, Ga.

Pru Cites Ill., Ind. D'stricts

Fourteen of the 47 Prudential Prudential Citations for 1955 were awarded to districts in the Chicago regional home office territory of Illinois and Indiana. The Illinois region—Jack D. Gibson, agency director—led all regions in the company, with seven of 14 districts qualifying for the award.

The Gary (Ind.) district, managed by Joseph Benne, led all Chicago regional home office districts, placing third nationally. The Mt. Vernon dis-

trict, managed by Thomas Dare, led the Illinois region, and the Blue Island district, managed by William Lindquist, topped the Chicago region. The Du Page (Ill.) district, formerly Aurora, managed by Wilbur Lamond, preserved its record of earning a Presidential Citation each year since the award was established 10 years ago.

Guardian Names Hallett



R. N. Hallett

Guardian Life has appointed Robert N. Hallett manager at Wheeling, W. Va. He joined the company at Wheeling in 1954.

Mr. Hallett succeeds Edward I. Taylor, manager since 1953, who will remain with the agency as associate manager and devote full time to personal production.

Jefferson Nat'l Grad Talks

"An Old Grad Speaks" was a highlight of Jefferson National Life's home office school on personal insurance marketing. The old grad was Lex W. Strahle, Terre Haute, Ind., the most successful graduate of the previous school, who was invited back to tell how he put his training into practice.

Other speakers included E. Kirk McKinney Jr., vice-president and treasurer; J. R. Ray, agency vice-president; R. E. Main, superintendent of agents; Forrest M. Ferren, central Illinois regional director with headquarters at Terre Haute; Robert A. Bowles, underwriting and service department manager, and Harold Allen, public relations and sales promotion director.

Vaughan Heads ICT Life

Management of the three companies in the ICT group of Dallas, which has been carried on since organization by Jack Cage & Co., has been terminated by mutual agreement.

Each of the companies, ICT, ICT Life and ICT Corp., will be operated by its new officers and directors, who incidentally were the officers of Jack Cage & Co. that managed those companies in the group setup.

John G. Vaughan has been named president and chairman of ICT Life, subject to board approval at a meeting March 2. Other officers are J. A. McMahon Jr., administrative vice-president; Collin Bookout, vice-president and office manager; O. E. Collier, treasurer, and Marie Reed, secretary.

Shoul Leads Mutual

Jacob W. Shoul, Boston, in 1955 led Mutual of New York in paid for business for the 20th consecutive year. He has qualified for Million Dollar Round Table every year since it was organized 28 years ago.

Other Mutual leaders last year, in order of production, were Jacques Barr, Chicago; Gordon Coryell, San Francisco; J. Dudley Miller, Chicago; Sam S. Herwitz, Cincinnati; Irving Backman, Boston; Edward L. Sittler, Pittsburgh; Harry R. Schultz, Chicago; Clayton T. Knox, Buffalo; and Raymond T. Maurey, Erie.

License New Company in N. C.

Sir Walter Raleigh Life of Charlotte has been licensed by North Carolina. It will specialize in A&S but also will write life insurance and annuities. Paid-in capital is \$200,000 and surplus is \$200,000 also. The home office will be in the Liberty Life building. Floyd A. Russell is president.

Set Agenda for 13th U. of Conn. School

"Insurance and the Corporate Dollar" will be the topic for the 13th life underwriting school to be held the week of July 23 at the University of Connecticut by Connecticut Assn. of Life Underwriters, the university school of business administration and the division of university extension.

Instructors will be Milton Young of Young, Kaplan & Edelstein, New York City; Robert J. Lawthers, director of benefits and pension business of New England Mutual Life; Laurence J. Ackerman, dean of the school of business administration and of Hartford College of Insurance; Thomas S. Morse, manager and consultant of estate planning and pension trusts of Phoenix Mutual Life; E. A. Starr, superintendent of agencies, advanced sales division, Connecticut Mutual Life; John H. Reid, Reid & Riege, Hartford; H. P. Gravengaard, vice-president and executive editor of the *Diamond Life Bulletin* department of the National Underwriter Co.

Dean Ackerman will open the school. The closing address will be given by Wilbur W. Hartshorn, superintendent of agencies of Metropolitan Life.

Among the subjects will be liquidation and continuation plans, handling the insurance arrangements, A&S plans for executives, the small corporate pension plan, profit-sharing plans for the small corporation, deferred compensation, sales ideas and opportunities.

Equiowa Sets Record Jan.

Equitable Life of Iowa paid for \$11,222,571 in new business in January, a 6.2% increase over the same month last year and the greatest January ever. In force rose to a new high of \$1,433,566,140. The Anderson agency, Cedar Rapids, placed first for the month.

Mich. Bill Would Put Coinsurance in Blue Cross

LANSING—A bill has been introduced in the Michigan house to require so-called non-profit hospitalization plans to utilize a contract requiring coinsurance.

The measure is evidently the result of the increase in Michigan Blue Cross rates. The sponsor, Rep. Allison Green of Kingston, would require that the subscriber pay the first day's hospital cost and 15% of the cost after the first seven days. He says this would result in a 30% reduction in Blue Cross rates, adding that unless some such measure as this were adopted the Blue Cross program might price itself out of the range of many families.

The possibility of increased hospital costs through the imposition of a sales tax is being fought by Michigan Hospital Assn. The state is threatened with a suit to restrain it from levying the 3% retail tax on drugs and food supplied patients. The hospital says these items are a part of their service, but the revenue department has given an ultimatum to the hospitals to obtain licenses by March 1 and make tax returns thereafter.

Pullman, Gregg Advanced

Occidental Life of California has named John R. Pullman manager and Glen O. Gregg associate manager of the life underwriting department.

Claud S. Gillespie, assistant vice-president, has taken over administration of the A&S underwriting department as well as of the life underwriting department.

Mr. Gillespie, current president of Home Office Underwriters Assn. of the Western States, has been with Occidental since 1937. Mr. Pullman, a fellow of Life Office Management Assn., joined the company in 1936 and Mr. Gregg in 1945.

Life	life insurance in force exceeds
A & H	
Group	
Franchise	
Hospitalization	
Brokerage	\$920,000,000.00
Reinsurance	
PLUS: One of the most advanced agents training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions.	
REPUBLIC NATIONAL LIFE	
INSURANCE COMPANY	
Theo. P. Beasley, President	Home Office, Dallas

Insurance Ads in Newspapers Up 18.1% in 1955

Insurance advertisers increased their use of national newspaper space last year by 18.1% over 1954, according to the bureau of advertising of American Newspaper Publishers Assn.

Lineage measurements in 228 newspapers in 110 cities showed total 1955 insurance lineage of 16,144,907 in the newspapers measured. This compares with a 1954 total of 13,670,190 lines in the same newspapers and is more than double the 8,020,205 lines scored for 1951.

The figures represent lineage and not dollar investment, the bureau emphasized. Final and official dollar figures covering the large majority of U. S. daily newspapers will be issued by the bureau later, in its annual study, "Expenditures of National Advertisers in Newspapers."

"The new figures clearly indicate the dynamic and continuing growth, first, of advertising as a selling tool of the insurance industry, and second, of newspapers as the medium in which more and more insurance advertisers are placing their first reliance," according to John C. Ottinger Jr., assistant director of the bureau.

The bureau also noted an increase in the advertising of local agents through use of the bureau sales presentation, "The Cracker Barrel Days of Salesmanship Are Over."

U. S. Life Appoints Shepard in Los Angeles

U. S. Life has appointed Cyrus G. Shepard general agent in Los Angeles.

Mr. Shepard began his career 18 years ago with Lincoln National Life in Los Angeles. He was named home office supervisor of Occidental Life of California in 1946 and, in 1951, became life department manager of Swett & Crawford, multiple line general agents in Los Angeles.

Estimate OASI Beneficiaries to Reach 9.7 Million in 1957

Department of Health, Education & Welfare has estimated the number of OASI beneficiaries will rise from 7.8 million at the end of 1955 to 8.8 million by the end of 1956 and to 9.7 million by the end of 1957.

Benefit payments under OASI were \$4.3 billion in 1955. They are expected to climb to \$5.3 billion in 1956 and to \$6 billion in 1957. Administrative costs were \$81 million in 1955. They

are expected to reach \$91.2 million in 1956 and \$97.7 million in 1957. Administrative costs are 1.6% of benefits paid.

Rowe Is Bankers, Ia., Manager at Fort Worth



Jack W. Rowe

Jack W. Rowe has been named manager at Fort Worth for Bankers Life of Iowa, succeeding G. H. Michalk who resigned to return to personal production. Mr. Rowe has served as agency supervisor for Bankers Life at Dallas since 1954. Before that he was in the home office sales promotion department for about two years. He joined the company in 1949 at Denver.

Bankers L.&C. Picks 3 for Home Office Sales

Bankers Life & Casualty has appointed three field men to the home office sales staff. Stanley E. Kelley, assistant sales manager of the western region, Denver, has been appointed agency director. Robert P. Ewing, Missouri manager at Kansas City, and Russell Van Kampen, formerly manager of Bankers' northern Minnesota territory, have been appointed assistant agency directors.

The three men will be responsible for the company's A&S sales, sales promotion and training of field personnel. Mr. Kelley joined Bankers in 1947 in Florida. He went to Denver in 1951 and the following year was promoted to manager for New Mexico, Arizona, Nevada and north Texas. He became assistant manager of the western region in 1954. Mr. Ewing has been manager at Kansas City since 1951 following assignments in St. Louis, Denver and Cheyenne. Mr. Van Kampen joined Bankers in 1950 and in 1951 was appointed supervisor at Des Moines. The next year he was promoted manager at St. Cloud, Minn.

Life of Va. Slogan Contest

Life of Virginia, celebrating its 85th anniversary this year, is sponsoring a contest among employees for a slogan that may be used throughout the year.

The contest is open to the home office clerical staff, field office cashiers and clerks. Savings bonds will be awarded for the best slogan received from the home office, ordinary agency division, and each of the three combination agency divisions.

State Mutual Names Campbell to a New Post; Boosts Others

State Mutual Life has made these promotions and appointments.

Donald W. Campbell was advanced to the newly created position of special assistant to the president. Mr. Campbell joined the company in 1926 and has been treasurer since 1933. He is on the board of Merchants & Farmers Mutual Fire.

A. George Bullock becomes treasurer. With the company since 1931, Mr. Bullock was named assistant treasurer in 1940 and manager of the securities department two years ago.

Richard H. Wilson becomes director of the securities branch. He joined the company in 1946 and was named assistant treasurer in 1951.

Peter J. Feeney and Victor L. Grigal were named officers of the company and assistant superintendents of agencies. Mr. Feeney has been supervisor of Connecticut Mutual Life in Boston. Mr. Grigal has been acting manager of State Mutual at Philadelphia.

Says Texas Laws Don't Assure End of Trouble

Sidney H. Wiedermann, Union Central Life, San Antonio, told San Antonio CLU chapter members that the passing of new laws by the Texas legislature does not assure life men that the evils at which the legislation is directed will be cured. He said new laws do not have full effect until they are interpreted by the courts as to their application. Mr. Wiedermann said new laws are intended to give the Texas board more power in controlling company and agency practices but that the board has to be careful to comply with the intent of the Texas legislature as interpreted by the courts.

Fred Gray Co. Opens Life Unit

Fred L. Gray Co., managing general agency at Minneapolis, has opened a life department and will represent American National of Texas. The agency, which represents a strong line of property insurers, serves more than 500 local agents throughout Minnesota, Wisconsin, Michigan and Iowa. The life department will be supervised by John E. Reimann Jr.

Occidental Promotes Two

Charles C. Cox has been promoted from acting brokerage manager of Occidental Life of California at Miami to brokerage manager succeeding Verne Phillips who is now at Occidental's Newark office. Fred L. Booth, with Occidental at Portland for two years, has been appointed assistant branch manager there.

Mr. Cox, formerly with Aetna Life at Miami, joined Occidental last June.

Zetkov to Davis & Co., N.Y.C.

Thomas E. Zetkov, former eastern regional group manager for Continental Casualty, has been named vice-president of Leonard Davis & Co., which has main offices in New York City and 11 branch offices in New York, New Jersey, Pennsylvania and Florida. Mr. Zetkov will supervise group life, pension, A&S, and related insurance programs.

Bankers L. & C. Gives Claim Procedure Guide to Hospitals

Bankers Life & Casualty has begun distribution, to more than 5,000 hospitals and clinics, of its new Hospital Claims Guide. The guide, which has been in production for more than a year, provides complete and simplified information about Bankers L.&C. policies and claim procedures under the White Cross plan. Each copy is being delivered individually through the branch and district offices in 39 states and the District of Columbia. The guide has imprinted on the front cover the name of each hospital or clinic to which it is delivered. In loose leaf form, it provides an explanation of the White Cross plan, claim handling, group and individual coverage, policy benefits, telegraphic verification procedure, assignments, a condensed schedule of policy benefits, a listing of benefits and exclusions, a description of A&H coverage, and a list of field offices.

In an introduction to the guide, Leo J. Lehane, executive vice-president of Bankers, said, in addition to offering a set of procedures and explanations, it is intended to promote a greater understanding of the A&S business among medical people. The main purpose of the guide, however, is to produce an aid to assist hospitals and clinics in effecting a simple expeditious filing and settlement of claims.

Bowes-Joseph Agency Wins N. E. Life's Top Trophy

Bowes & Joseph agency of New England Mutual Life in Newark has received the president's trophy for all-around achievement.

C. Vernon Bowes and George G. Joseph received the trophy from President O. Kelley Anderson at a special ceremony. The agency, with \$100 million in force, ranked ninth in production and was cited for outstanding work in development of district agencies. Several of the agents are large producers.

Bowlus Joins Equitable 3-Key Club

Robert E. Bowlus, New Orleans, has qualified for membership in Equitable Society's Three Key club. With the company since 1946, he is the 22nd man to qualify for club membership, which is restricted to those who win the Equitable Million Dollar club key for three years of \$1 million production, the CLU key, and the Group Millionaires' club key.

State Capital Names Rochelle V-P

State Capital Life of Raleigh has appointed Edwin C. Rochelle vice-president. He has been in charge of the mortgage loan department. The board has declared a 100% stock dividend and a cash dividend of 35 cents a share.

D. R. Tolman, general agent of Occidental Life of California for a three-county area, with headquarters at Santa Barbara, was feted by associates on his 25th year with the company. He has been general agent since 1934. Among guests was H. Dixon Trueblood, vice-president.

Forever... is a Long Time

And the loss of major household support—forever—can cause turmoil that may disrupt lifelong plans.

Your customers want a service that preserves financial stability of a household at such times.

Old Republic's new Critical Period plan guarantees 36 months' payments if the borrower dies, and 12 months' payments in case of disabling accident or illness.

Because of its low cost, absence of premium differential for age, lack of medical examination requirement and simplicity in handling, it's good business for borrower and lender alike. No extra help is required.

A letter, wire or phone call will bring the man from Old Republic to your desk with full information.



Old Republic
Life Insurance Company

Chicago 1, Illinois



American General
LIFE INSURANCE COMPANY

HOUSTON ★ TEXAS

B. N. WOODSON, CLU
President

FORD MUNNERYLYN
Vice President & Agency Director

Sees Value in Psychiatric Testing of Agent Timber

(CONTINUED FROM PAGE 7)

bothered by side details, can separate the important from the unimportant, the essential from the nonessential. He is not squeamish about staying with something he believes in. He is not passive. He can assert himself. He must not only be able to give a sales talk but be able to close the deal and to sell more than asked for. "Frankly, many of our candidates are eliminated for being too passive and dependent," said Mr. Drimal.

• **Perseverance.** The successful agent shows a great stick-to-itiveness, patience, does not give up easily. He has confidence in himself and his ability and above all a good level of aspiration.

• **Sensitivity to environment and people.** Quick to pick up any clue he may see or hear about. Aware of all that's going on around him. He possesses the ability to form social contacts with ease and has a positive approach to people. Not excessively aggressive or obnoxious—although he can be. He knows when to control things.

• **Other important points:** He has conflicts, but can work with them; he can become depressed, but this is due to his high standards of ambition and levels of aspiration and his feelings of failure. The defense against this is hard work.

• **A father or close relative who is a successful agent is a definite asset to the new man when no emotional problems are present.**

• **A record of changing jobs for any reason other than direct financial or positional betterment is to be viewed with grave doubt.**

Mr. Drimal said that some general agents feel they can develop these success characteristics in a man but the psychiatrists say it can't be done.

"A man either has or doesn't have these characteristics and they cannot be developed if they aren't there to begin with," he said. "The big point is how can we, the layman, the business man, with preconceived ideas, be able to evaluate these things intelligently and objectively? The answer is that we can't and the LIAMA figures on retention prove it."

"Of course, many of you 'old pros' can sense these things after many years of experience but let's face it, the psychologist and the psychiatrist have devoted many, many years to the study of one subject—a man's emotional make-up. This knowledge is for sale to us and I have found it worth my while to buy it."

If after the psychiatric tests it appears that the man under consideration lacks many of the basic requirements he is eliminated at once. Otherwise Mr. Drimal arranges for one more interview before making the final decision and this interview is with the man and his wife. Mr. Drimal makes sure to give the wife a true picture of the business, the bad as well as the good. If his wife understands all this, she will have a better understanding and be able to encourage the agent rather than discourage him. On the last interview the contract is completed.

Mr. Drimal started having candidates psychiatrically tested in 1953. The first six men scoring "A" on the Aptitude Index were given the psychiatric tests. He placed the men under contract, since in his opinion they were well qualified. Meanwhile, he sealed up the results of the tests, agreeing not

to look at them for six months. Then he opened the envelopes. The prediction was that all six would fail and in every case that is what happened.

In the first year he matched his judgment against the psychiatrists', recruiting 14 men in 1953, of whom only three had been recommended by the testers. At the end of a complete year, only the three that had been recommended were still under contract.

The next year Mr. Drimal decided to stop competing with the psychiatrists and take their judgment. They approved eight in 1954. Six are still with him and of the two he lost, one is now the office manager and one is out of insurance.

In 1955, of eight men approved, seven are still with the agency. The one that was lost went back to his old agency.

The 3-year composite score is 60 applicants tested, 40 of them being eliminated after further facts were obtained from the evaluation. Follow-up on the 40 that were rejected indicated that only 10 went into the business and seven have already failed. The remaining three have been in the field too short a time to warrant any conclusion.

Mr. Drimal's talk, describing what seemed to be the long-sought answer to selection and turnover problems, naturally aroused much interested discussion. Cost was the first point. Mr. Drimal said that because the psychiatrist with whom he worked was interested in the project, the cost had run only about \$2,100 for the three years but that ordinarily the cost could be expected to run about \$100 or more per man tested, including the psychological tests that precede the interviews with the psychiatrist.

Mr. Drimal indicated that even at \$100 the cost would be well worth while, not only for selecting new men but because the effect on the established agents was so stimulating. Seeing new men doing so well, they felt impelled to get busier than they had been.

Managing Director Charles J. Zimmerman of LIAMA was asked what his organization thought of psychiatric selection. He said the psychiatrist retained by Mr. Drimal had been up to Hartford to talk with LIAMA Research Director S. Rains Wallace Jr. and his research staff. LIAMA concluded that while the system undoubtedly worked fine for Mr. Drimal, it is not a transferable technique—which is what LIAMA is seeking.

Mr. Zimmerman said that the Rorschach ink-blot test, a standard test used in the Drimal project and praised by Mr. Drimal, had been experimented with for two years by LIAMA, even to the extent of having the results scored by Rorschach himself, and no correlation with life insurance sales success had been found. Mr. Zimmerman said Mr. Wallace concluded that despite the success of psychiatry in selecting agents for the Drimal agency, another psychiatrist using the same methods might well produce as many failures as successes.

Publish New CLU Text Book

The Practice of Life Underwriting, a text and case book for CLU candidates preparing for Part E examinations has been published to replace the study supplement previously used in Part E study classes.

A collection of actual field cases, the book is the work of Harold W. Gar-

diner, director of education and field training of Northwestern Mutual Life, a member of the examination board of American College and immediate past chairman of the education and training committee of LIAMA. The staff of American College collaborated.

The first draft was used in several pilot study groups during the past two academic years and the publication of the finished work was timed to coincide with the beginning of the second semester of the current school year.

Mountain States Lead in Gain of Invested Life Company Funds

Life companies representing 86% of the total assets of all U.S. life companies had investments totaling \$2,649,000,000 in the mountain states at the start of last year, increase 13%, according to Institute of Life Insurance.

Investments in the west south central states at the start of 1955 were \$7,824,000,000, up 9%. Investments in Pacific states were \$7,804,000,000, up 8%. Investments in the middle Atlantic states totaled \$13,198,000,000, up 4%. Investments in east north central states were \$13,167,000,000, up 8%.

500 Family Finance Scholarships

Institute of Life Insurance grants will enable 12 U.S. universities to give 500 scholarships to teachers at workshops in family finance this summer.

The workshops are sponsored by National Committee for Education in Family Finance. The program will set a record this year in the number of participating universities and scholarships available.

John Hancock Promotes Bosworth and Jordan

John Hancock has appointed Robert C. Bosworth assistant treasurer and Robert C. Jordan associate director of the city mortgage department.

Mr. Bosworth, who joined the accounting division of the bond department in 1939, since 1951 has been in the statistical division as a security analyst with special duties in connection with municipal and railroad investments.

Mr. Jordan, who joined the administrative training pool in 1946, was named director of housing in 1949 and, in 1951, given the additional title of manager of the real estate development and management division.

Quigley Heads New Insurer

Thomas A. Quigley, formerly brokerage manager of the Salomon, Harneg, Portnoy & Associates agency at St. Louis, has been elected president and general manager of Cardinal Life of Clayton, Mo. He at one time was an executive of the old St. Louis Mutual Life.

Cardinal Life was licensed as a life and A&H company Dec. 17, 1955.

Chicago Selectors Hold Panel

A panel discussed several underwriting problems, illustrated by actual cases, at the February meeting of Chicago Home Office Life Underwriters Assn. Panelists were I. M. Spear of State Farm Life, Leon Eubanks of United of Chicago, Annette Vienna of Globe Life, and E. T. Broten, Washington National. Mr. Spear was moderator.

ACTUARIES

CALIFORNIA

COATES, HERFURTH & ENGLAND

Consulting Actuaries

San Francisco Denver Los Angeles

IND. & NEB.

Haight, Davis & Haight, Inc.

Consulting Actuaries

ARTHUR M. HAIGHT, President
Indianapolis - Omaha

GA. VA.-N.Y.

BOWLES, ANDREWS & TOWNE ACTUARIES

Insurance Company
Management Consultants

RICHMOND ATLANTA NEW YORK

MISSOURI

NELSON and WARREN

Consulting Actuaries
Pension Consultants

ST. LOUIS KANSAS CITY

NEW YORK

Consulting Actuaries
Auditors and Accountants

Wolfe, Corcoran & Linder

116 John Street, New York, N. Y.

ILLINOIS

CARL A. TIFFANY & CO. CONSULTING ACTUARIES

211 West Wacker Drive
CHICAGO 6

Telephone FRanklin 2-2633

Harry S. Tressel & Associates Consulting Actuaries

10 S. LaSalle St., Chicago 3, Illinois

Telephone FRanklin 2-4020

Harry S. Tressel, M.A.I.A. W. P. Kelly
M. Wolfman, F.S.A. A. Selwood
M. A. Moscovitch, A.S.A. M. Kazakoff
D. Speed L. Miller

OKLAHOMA

W. J. BARR

CONSULTING ACTUARY

HOME STATE LIFE BUILDING
OKLAHOMA CITY, OKLA.

PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARY

ASSOCIATE

E. P. Higgins

THE BOURSE

PHILADELPHIA

Voluntary Mortgage Plan Handles 12,500 Placements

Private lenders have made 12,500 home mortgage loan commitments totaling \$105 million through the voluntary home mortgage credit program in the first year of the program's lending operations. Milford A. Vieser, financial vice-president of Mutual Benefit Life and one of two life company men on the VHMCP national commit-

tee, said it shows how private lenders in cooperation with the government can meet a public demand and minimize the need for government loans with taxpayers' money. Norman Carpenter, 2nd vice-president of Metropolitan Life, the other life insurance member of the national committee, said the program's first-year success gives conclusive evidence that the nation's routine financing needs for single family housing can be met by private lenders.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

ANNUAL STARTING SALARIES \$7,000.00 TO \$9,000.00 FOR QUALIFIED LIFE MEN

This is one of the finest opportunities you will ever see. A sound, medium-sized, well-established Life Insurance Company is now enlarging its ordinary life department, and will need several experienced life men to work as field supervisors. Annual starting salaries range from \$7,000.00 to \$9,000.00—with future increases based on results.

You will be supplied with a late model automobile and business expenses will be paid.

The men we are looking for will probably have a good personal sales record in ordinary life insurance, plus the ability to contract and develop agents.

Apply only if you wish to work with an enthusiastic, aggressive department of a strong life company and if you feel you can help it grow even larger. Write today and include a complete summary of your business experience. All replies confidential.

Box K-75, c/o The National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

OFFICE MANAGER WANTED

General overall Life Insurance knowledge in all departments of a Home Office necessary. This position with one of the outstanding Old Line Legal Reserve Life Insurance companies of the South, which has been in operation 11 years and is presently licensed to do business in 17 states. Give age, marital status, education, experience and qualifications in your first letter, which will be treated strictly confidential. Salary open. Write Box K-71, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL OPPORTUNITY

Splendid opportunity with Virginia ordinary company having approximately 1/2 billion in force. Desire Actuarial student preferably under age 30, having passed two to four examinations and with intention to continue to fellowship, and having two or more years experience. Ideal working conditions, new air-conditioned home office building, thirty-five hour work week, liberal group insurance and pension plans and other fringe benefits for employees. Reply in confidence giving personal data and experience. Box K-84, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

INVESTMENT ANALYST

Senior analyst having substantial direct placement loan experience with life company desires job change offering opportunity for increased responsibilities and advancement. Now employed. Mature family man. M B A Harvard Business School. Write Box K-86, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY DIRECTOR

Life company writing primarily Hospitalization wants man under 40 to develop separate life department. Company is adequately financed, respected, and operates in several states. Man must be clean, capable, ambitious and willing to work for advancement. Must have proven method of recruiting, training, and developing men. Give complete background, plan of operation, and recent photograph.

GLOBE LIFE & ACCIDENT INS. CO.
OKLAHOMA CITY, OKLAHOMA

MINNESOTA GENERAL AGENCY SEEKS CONNECTION FOR LIFE AND A. & S. ON A GENERAL AGENCY BASIS. DO YOU HAVE SALES ADVANTAGES TO OFFER? Write Box #K-59, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY MANAGERS WANTED

TO spearhead expansion program of one of nation's top fifteen life companies, 26 appointments will be made this year in U.S. and Canada. Prompt, confidential interviews will be granted qualified applicants. Send complete résumés to: Box #K-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Osler Claims Agency System Must Fight

(CONTINUED FROM PAGE 4)

pat and said, 'Buy it without rebate or don't buy it.' I believe the administration would have been on the spot. Now they can say, 'We tried private insurance companies and it didn't work, so we have to self-insure.'

"Now the government is in the position where it can tell stories of how the life insurance business is making huge profits off the government case. It's in a position to blacken the reputation of the business to prove the need for self-insurance, just as the federal trade commission appears to be trying to blacken the reputation of the A&S business to prove the need for government interference.

"I get so damned tired of the prevalent attitude, 'We must be flexible; we must not fight progress.' Hell, we've been flexible for years. Where do we stop? There's a point at which a strategic withdrawal becomes a rout—and I think we've hit that point.

"Life insurance men can think of the craziest excuses for cutting their own throats. I recently heard a prominent figure in the business argue at an association meeting, 'When the government insures, we are just paying commissions to ourselves.' That same gentleman would scream like a stuck pig if I argued that the public debt is no debt at all because we owe it to ourselves. What's the difference?

"I think the effects of the government group case on a direct-writing basis are already being reflected in the demands of unions for directly written coverage. Too many agents who scoff at the idea of 'peaceful co-existence' with a foreign 'ism' advocate it directly or by inaction when it comes to direct writing."

Blue Cross, said Mr. Osler, is the arch-enemy of private insurance and the Trojan Horse of the A&S field because it is a direct writer and because its advertising and sales effort is too often based on tearing down private insurance. He offered to back up this statement with a file of Blue Cross advertising, sales promotional material, and actual individual case proposals.

Moreover, Blue Cross by its constant stress on the "non-profit" theme defames the profit system.

"Why has the FTC let Blue Cross alone?" he asked. "I can show you examples of Blue Cross advertising that seemed to me to be exactly the same thing FTC has criticized in private companies. Yet not one word has FTC said about Blue Cross."

Blue Cross is a Trojan Horse, said Mr. Osler, because its stress on non-profit plays into the hands of government planners. Its stress on "community service" makes it owned by nobody and hence easy to take over, and is deluding the unions into pressuring employers through the "non-profit" appeal.

"One thing I say you can't take out of policies is the service of the agent—which you do when you cut commissions or write direct," said Mr. Osler. "Without the services of the agent, the private life insurance business has no advantage over government insurance—at least in the eyes of the insuring public. Take away the agent and the public will agree that the government 'can do it better' because it can do it 'cheaper'—which the government can always do with hidden subsidies, the way it handled NSLI."

The agency system is being squeezed, said the speaker, not by some deep-dyed Communist plot, by Socialism, by either political party or by bureaucracy

but rather because there is a vacuum due to the inertia of private insurance.

"We're creating a vacuum and the government, mass sellers, direct writers are flowing into it—not as a plot but by default," he said. "Where did Blue Cross get its hold? It flowed into the vacuum left by insurance companies. Where did group get its hold? Moving in to supply the needs of people not adequately serviced by this agency system—the great masses of hourly wage workers, to begin with. People want more coverage than they have. If the agency system doesn't supply it, then they will get it some other way."

Lindop Again Top Agency of Monarch in Life, A&S

NEW YORK—The Ralph Lindop agency of New York City led Monarch Life in 1955 in both life and A&S. Life was \$7,944,332 in paid volume, 56.5% ahead. A&S was \$83,094 "quarters", equivalent to four times that much new annual premiums. This was a 38.3% gain.

The agency has \$25 million of life and \$1.2 million of A&S premiums in force, though started from scratch less than 10 years ago.

No pension trust or group business is in the figures. The agency has led the company in three years and during the last seven years has never been below second.

Mutual Trust Life Agent, Agency Named for Awards

Maurice Blond of the Bergen-Eiber agency, Brooklyn, and the Furlong agency of Cleveland have been chosen as 1955 winners of the Edwin A. Olson memorial achievement awards of Mutual Trust Life. Mr. Blond led the company in volume of production. He is vice-president of Brooklyn Life Underwriters Assn. The Furlong agency was selected on the basis of average size policy, average commission, lapse ratio, and percentage of quota. Awards will be presented at the sales meeting in April.

Aetna Life Cites GAs

Aetna Life has awarded its president's trophy for outstanding performance in 1955 to general agents Henry A. Maddox at Atlanta, Gilbert V. Austin at Brooklyn, W. Ray Hutch at Buffalo, Richard O. Fuchs at Denver, H. H. Holt at Des Moines, F. E. McMahon at Detroit, L. Kent Babcock Jr. at Philadelphia, W. J. Schergens at Shreveport, Paul D. Sleeper and Joseph Euler at Washington, D. C. They will serve a year on the general agents' advisory council, which serves as an advisory body on agency management matters.

Robert B. Morley has been named supervisor of the Gettys agency of Northwestern Mutual Life at Toledo. Mr. Morley started at Toledo several years ago.

New Missouri Handbook Out

A new, Underwriters' Hand-Book of Missouri has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, brokers, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Missouri Hand-Book may be obtained from the National Underwriter Co., 420 East Fourth street, Cincinnati. The price is \$12 each.

171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

1955 Is Year of New Heights for Insurers

(CONTINUED FROM PAGE 1)

171, up \$10,633,687, with 61% going as living benefits. Total surplus funds at year's end totaled \$214,001,415, up \$5,550,370.

Total mortgage holdings total \$763,574,151, up \$59,764,011, for 30.85% of assets. Investments in bonds totaled \$1,317,762,356, up \$1,370,288.

Life sales totaled \$543.8 million up 28%, for a record gain. Ordinary individual life sales accounted for \$516.8 million, up \$107.3 million, as reported in the Jan. 13 issue of THE NATIONAL UNDERWRITER. The remaining \$27 million of new sales represented group life coverages sold under module plans. Total life in force at year's end was \$5,359,423,000, up \$317,756,000. The company sold 13,653 individual A&S policies.

NATIONAL L.&A.

National Life & Accident registered sales records in both its industrial and ordinary departments in 1955. The gain in insurance in force was \$339,932,598—17% greater than the preceding year—and brought the total to \$4,256,942,543.

Paid for ordinary production was the best ever, and in the industrial department the total weekly collectible debit reached \$1,702,650, an increase of \$142,097. This was 37% greater than the increase made in 1954 and greater than in any previous year. The industrial gain in force was \$189,593,215, 14% greater than in 1954. The ordinary in force gain was \$148,910,103, up 21%.

A&H premium volume increased greatly, due largely to an improved policy line that included adoption of the level premium plan.

Assets amounted to \$580,143,785, as against \$526,367,111. The net interest yield on assets, after allocation of all expenses except federal income taxes, was 3.49%, compared with 3.46%. Capital and surplus reached \$68,662,890, up from \$57,111,784. The reserve for life and A&H policies reached \$480,236,378, a gain of \$39,200,729. There also was an investment and mortality contingency reserve of \$10 million.

"New fears of increasing federal income taxes hang over the life insurance industry," Chairman Edwin W. Craig reported, "and today we feel that we may be on the eve of our gravest danger from that point of view." The reserve liability for taxes payable in 1956 stands at \$4,352,087, up \$592,000 over last year. Mr. Craig said the company decided to set up tax reserves on the only basis established in fact, "namely, the bill already passed by the House and at this moment pending before the Senate finance committee."

Besides a regular dividend of 12½ cents per share, payable March 1 to stock of record Feb. 17, directors declared an extra of 10 cents, with the same payment dates. If the regular quarterly dividend of 12½ cents is maintained, the extra dividend would increase the 1956 payment 20% over that of 1955.

OLD LINE LIFE

New highs were recorded during 1955 by Old Line Life of Milwaukee in benefit payments, assets, surplus and insurance in force. Written business of \$15,697,291 compared with \$14,927,283 the previous year. Insurance in force increased \$5,115,926 to total \$171,557,952.

The company's largest new business

month was recorded in December, with the last quarter of 1955 showing a 28% increase over the same period of the previous year.

Assets gained \$2,718,551 to total \$54,539,063, some \$13 million more than they were 10 years ago. Assets exceeded liabilities, including policy reserves, by \$3,870,802. After adding \$51,858 to reserves for security valuation, which now totals \$328,012, surplus was increased \$232,303. New investments in 1955 aggregated \$7,725,858. This amount, with the exception of bond purchases of \$333,000, was invested in first mortgage loans, of which 57% are guaranteed under FHA or VA.

Benefit payments reached a record \$2,922,809, bringing the total in company history to \$52,562,219. The company recently entered South Dakota and now operates in 10 states.

Forrest D. Guynne, director of agencies, was elected a vice-president, and Dr. R. D. O'Conner associate medical director.

PENN MUTUAL LIFE

Penn Mutual Life sales in 1955 rose to a new high of \$516,537,399, up 28.6%, for the fourth consecutive record-breaking year. Insurance in force reached a peak \$3,855,684,038, up \$267,793,928.

Policies in force totaled 876,116, up 59,000, on the lives of 650,000 policyholders. Average policy size was \$8,752, up 21%.

Assets climbed to \$1,578,577,452, up \$59 million. The net rate of interest earned on investments, before federal income taxes, was 3.48, up .08. Net operating income was \$24,026,757, up \$2,725,602. The company set aside \$16.7 million for 1956 dividend payments.

The company paid \$96 million in benefits to policyholders and beneficiaries, half of which went to living policyholders.

New investments totaled \$216 million, of which \$106 million was in corporate securities, \$91 million in mortgage loans, \$10 million in real estate, and \$9 million in tax exempt revenue bonds. The yield on all new acquisitions was 4.15%, up .09%.

PROVIDENT MUTUAL

Provident Mutual Life sales in 1955 totaled \$178,571,000, with an average policy size of \$9,356. Insurance in force rose to \$1,728,644.

Assets climbed to \$776,003,000, up \$26,386,000. New investments totaled \$99,537,000 with a gross yield of 4.20%, up .09%. The net yield on total investments, after investment expenses but before federal income taxes, was 3.50%, up .02%.

Dividends payable in 1956 were increased on nearly all policies. The amount set aside for distribution in 1956 is \$1.5 million greater.

Total income in 1955 was \$94,496,000. Benefits to policyholders and beneficiaries totaled \$44,511,000, up \$2,718,000.

REPUBLIC NATIONAL LIFE

New business of Republic National Life in 1955 amounted to \$333,596,539, a gain of 27.7% over the previous year. Insurance in force climbed \$222,279,523 to aggregate \$916,290,534. A&H premium income reached \$5,316,469.

Assets amounted to \$72,864,207, as against \$70,880,816. Surplus was increased by \$1,299,238, bringing the

total to \$3,885,812 in addition to legal reserves. Benefit payments were \$9,889,837.

STATE MUTUAL LIFE

State Mutual Life ordinary sales in 1955 totaled a record \$162,293,558, up 22%. Group life sales were \$129,214,329 and group casualty premiums totaled \$1,351,681. Individual A&S sales were up 89%. Total life in force at year's end exceeded \$2 billion.

Assets at year's end totaled \$547,480,593. Net interest earned on mean ledger assets, after federal income tax, was 3.51%, up .14%. Surplus was \$28,696,602.

Payments to policyholders and beneficiaries totaled \$38.5 million. Death payments totaled \$15,123,206.

Nine new offices were opened last year.

UNION MUTUAL LIFE

Union Mutual Life sales of life insurance, including group, in 1955 totaled \$139,817,654, up \$9,817,874, for a record year. Life, including group life, in force rose to a new high of \$571,218,196, up 18.4%. Noncancellable A&S earned premiums were up 18.5% and group A&S gained by 15.4%.

Total income hit a peak \$22,660,719, up \$2,678,729. The company paid to and set aside for policyholders and beneficiaries \$17,458,370, up \$2,051,590. The company paid \$10,677,943 to policyholders and beneficiaries, invested \$4,419,268 as policy reserves, paid \$1,564,431 in dividends, invested \$175,000 in voluntary contingency reserves, and added \$621,728 to surplus. The remaining \$5,202,349 was for operating expenses.

Net investment earnings were 3.29%, up .08%, reflecting increased investment in residential mortgage loans. Assets grew to \$84,541,002, up \$6,433,971. Liabilities principally policy and claim reserves, were computed at \$77,272,140. The difference between assets and liabilities was \$7,268,862 at year's end and was designated policyholders' surplus to give protection beyond that required by law.

Insurers Tax Bill Approved by Senate Committee

(CONTINUED FROM PAGE 1)

enue taxation and with a group of consultants selected from among life industry experts, in an effort to develop a new formula for taxing life company income.

Life industry representatives believe it possible such a formula may be developed that will be fairly satisfactory to the industry for consideration at the next session of Congress, if not at the present one. Without such a measure, or at least without some additional legislation on the subject following enactment of the Mills-Curtis bill, life insurance taxation for 1956 would be based on the formula provided in the revenue act of 1942, which would apply with respect to 1955 in the absence of enactment of the Mills-Curtis bill.

Committee staff specialists say that under the latter bill, life companies would be taxed about \$247½ million for 1955 as against \$220 million under the bill as passed by the House, \$197 million under the stop-gap law for 1954 and \$275 million under the 1942 formula.

McDonald Talks at Madison

Roy A. McDonald, director of company relations H.&A. Underwriters Conference, spoke at the February meeting of Madison (Wis.) Assn. of A.&H. Underwriters.

A & S

Miss. Stalls Blue Cross Tax Measure

Mississippi legislature has passed but is holding for reconsideration a bill that would impose privilege and ad valorem taxes on Mississippi hospital and medical service (Blue Cross). The bill was sponsored and is defended by the administration on the grounds that the estimated \$184,000 revenue is essential if the state is to maintain a balanced budget.

Opponents of the measure assert that it is unjust to tax an organization which has done so much to prevent the growth of socialized medicine. Administration backers said that the Blue Cross had a net surplus of \$500,000 from operations in 1955 and can afford to pay the tax assessment. The bill is being held for reconsideration on a motion by Sen. Boren of Tupelo.

Mich. Unions May Form A&S Insurer

LANSING, MICH.—Dissatisfaction with Blue Cross rates has led some 15 large local unions in the Detroit area to take steps toward formation of a new hospital and medical service.

The legal firm of Kasoff & Young of Detroit has asked the Michigan department for the application forms necessary for formation of non-profit hospital and medical service corporations similar to Blue Cross. Present Blue Cross-Blue Shield contracts in effect in Michigan cover some 4 million persons—more than half the state's population and the largest proportional showing in any state.

Recently Commissioner Navarre approved a 15% increase in Blue Cross rates after rejecting a plea for a 23% increase. Walter Reuther, CIO president, assailed the request and contended there was insufficient effort by Blue Cross administrators to keep hospital costs down.

Among the unions interested in the rival organizational move are the Ford and Chrysler locals of the CIO United Auto Workers.

Commissioner Navarre has scheduled a conference with backers of the plan this week and will present his views on the hospital service situation at a union convention in Hollywood Beach, Fla., April 8. He is said to favor coinsurance factors which would penalize misuse of the coverage and hold down the cost.

A bill fashioned along those lines has been introduced in the Michigan legislature but house leaders say its possibility of being reported to the floor is unlikely. It would require hospital service subscribers to pay their own way the first day of hospitalization and to assume 15% of costs after the first week.

N. Y. A&S Agents Hear Gehringer, Coursey

Edward L. Gehringer, ordinary division manager of Prudential at Philadelphia, discussed basic lines of A&S and life coverage at the February meeting of New Jersey A&S Assn. in Newark.

William G. Coursey, managing director of International Assn. of A&H Underwriters, spoke on the need for educational and discussion forums at association meetings.

Education, Occupation, Income and Residence Determine Insurance Purchases, Survey Shows

Education, occupation, income, zone of residence and, in rural areas the size of farming operations and family size, emerged as the most important factors in determining insurance consumption behavior, according to a survey conducted by Nationwide, formerly Farm Bureau of Ohio.

William H. Wandel, the company's director of research, summarized the findings at the annual meeting in New York City of American Assn. of University Teachers of Insurance. The results were based on interviews with policyholders in Columbus, O., New Haven, and rural areas in Vermont and Ohio.

Socio-economic and social class differences, as reflected by education, income and aspirations, largely determine one's "style of life" and, therefore, one's conception of his insurance needs, attitudes and expenditures, Mr. Wandel said. The "style of life" concept is important in determining the amount, types, means and frequency of payment, and reasons for obtaining various coverages.

"A general principle might be that the greater the variety of types and limits of insurance offerings available to the public, the more pronounced will be the role played by socio-economic and "style of life" factors in determining the actual purchases of insurance protection. Conversely, compulsory and traditional restrictions, as in fire and automobile coverages, tend to minimize the importance of socio-economic variables in insurance purchases."

Socio-economic differences cut across regional and rural-urban lines, with greater differences in insurance protection within the sample groups than between them.

An analysis was made of the relationship between the various measures of socio-economic status and the amount of life insurance in Columbus and New Haven. In both areas, the same socio-economic variables were related to approximately the same extent to the amount of life insurance held. In both cities, as age increased beyond 30, the amount of life owned decreased. The presence of GI insurance had no appreciable effect on this relationship.

The greater the education and the higher the prestige level of occupation, the greater the amount of protection owned. To a far lesser degree, this same relationship held for income. But income had little significance as a "pure" factor, mainly because the real income of the white collar worker has risen so much slower than the blue collar worker's since 1939 that position is no longer dependent upon income as it once was.

The analysis of life insurance portfolios of 200 Vermont and 455 rural Ohio families gave no reason for modifying the theory of insurance consumption behavior developed from the urban studies.

The study revealed differences in

the percentage of breadwinners with life insurance—from 75% in Vermont to 94% in the urban groups. It showed differences in amounts held by wives, children and other dependents, in distribution of life insurance holdings within families, and in distribution by type and frequency of payments.

Facts on medical care insurance reveal the extent and cost of such coverage, amount and cost of care received, relationship of benefits to insured and total medical care costs. Mean annual family costs of medical care is \$235 in New Haven, \$215 in Columbus and \$136 in Vermont. In Columbus and New Haven, 83 to 84% of the families had some type of hospital or surgical coverage, but these percentages were lower than in the rural areas. For insured, surance covered 68 to 70% of hospitalization bills and 68 to 72% of surgical bills. But when the costs of all respondents, insured and uninsured, were considered, the proportion was substantially lower. When all medical costs were considered, the proportion met by insurance varied from 12% in Vermont to 28.5% in Columbus.

Questions on attitudes indicated there is "overwhelming approval" of the federal OASI program. But most people do not feel the government should go further into the insurance business.

The study helped bring renewed emphasis to areas of unmet insurance needs. It indicated the possibilities, suggested by existing patterns of coverage, for packaging or grouping coverages more efficiently. It revealed public attitudes which may guide the industry toward ways of satisfying the demand for more adequate protection.

Alcoholism Is Topic for A&H Roundtable Meeting

More than 30 members of Chicago A&H Roundtable saw a film and heard a talk on alcoholism at the February meeting. An unidentified member of Alcoholics Anonymous spoke and the film was produced by Encyclopedia Britannica Films Inc.

Mr. "AA" outlined the history of Alcoholics Anonymous, reviewed the program and procedure followed by the membership and gave several examples of people who had been helped.

"Of those who make a sincere effort to quit drinking by applying the principles of the AA program, 50% find sobriety immediately and apparently their recovery is permanent. Another 25% get sober after some relapses and the remaining 25% show improvement," he said.

Alcoholics as a group are generally healthy once the alcohol is worked out of their system. From an underwriting standpoint, one can better judge the permanence of the recovery from the person's stability prior to his "going off the deep end," than from the length of time since he has had a drink.

Occidental Life Record

Occidental Life of California's January ordinary sales totaled \$77,775,854, a new monthly record.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

introduced in the New York legislature. The bill requires registration of funds, annual statements to the insurance department, department examinations periodically, and annual reports to contributing employers and employees. Under the terms of the bill these funds are not termed insurers. However, they would be entirely subject to the rules and regulations of the department in their administration in accordance with the provisions of the bill.

N. C. Hearing on NAIC Advertising Code

Commissioner Gold of North Carolina has notified companies selling A&S in the state that he will hold a public hearing on March 16 on the question of adopting advertising regulations in the state. He proposes to adopt the code approved recently by National Assn. of Insurance Commissioners.

Philadelphia Promotes Boettner, George

Philadelphia Life has elected Joseph E. Boettner executive vice-president and Lewis O. George vice-president. Mr. Boettner joined the company as superintendent of agencies in 1951 and was elected vice-president last February. Mr. George joined the actuarial department 25 years ago and was elected director of administration last March. The company has declared a 20% stock dividend, payable March 15 to stockholders of record Feb. 20.

Revere Names Temple at Cleveland

Paul Revere Life has named James F. Temple head of a new group office in Cleveland. Mr. Temple, who joined the company six years ago, has been in Sacramento and previously was group supervisor of the New Mexico-Arizona territory.

Horman Claims Bright Future for A&H Business at Chicago Meeting

S. L. Horman, vice-president of Time of Milwaukee, predicted a bright future for the A&S business to more than 70 members and guests at the February meeting of Chicago A&H Assn. He said A&S has had the "green light" for nearly three decades and in all that time there were only four minor obstacles to progress. These the depression, group underwriting, Blue Cross and government intervention, each of which has turned out to be an aid to selling rather than a deterrent.

These four obstacles did turn A&S salesmen into "give away salesmen," he said, selling what the public wanted and not what they needed. He compared A&S selling with other fields of direct selling, declaring that "not one of the others offers the potential and remuneration, that A&S does."

Mr. Horman urged the members to work harder, appreciate what they have to offer and sell with a purpose and with conviction.

Irving G. Wessman, Loyalty group, was honored as "man of the association" by the women's division, and Miss Muriel Marek, president of the division, presented the award.

President Robert L. Seiler, Paul Revere Life, reported the membership drive, aimed at signing up 25 new A&H men, was nearing successful completion.

Pru Appoints Four

Prudential has appointed Nathan F. Jones associate actuary in the planning and development department; Frank J. Hoenemeyer Jr. general investment manager in the bond department; and Julius J. Vogel assistant actuary in the actuarial and new business department.

Ellsworth E. Strock, associate actuary in the actuarial and new business department, was named executive director of salary administration in the general office administration department, effective March 1.

Hartford TV Hearing

WASHINGTON—Federal communications commission set March 12 for oral argument of application of Travelers for a TV broadcasting station license in the Hartford area. Arguments will be heard by the full commission, from counsel for Travelers and Hartford Telecasting Co., which has been opposing the Travelers application.

Insured Must Sign the Application for Air Trip Accident Cover

As a first step in a long-range program of study initiated by companies selling airline trip insurance and the civil aeronautics administration, it has been agreed that no such insurance will be valid unless the insured personally signs the application. This step is intended to reduce the possibility of sabotage of aircraft for gain.

Placards setting forth this condition will be placed in prominent locations on all insurance vending machines and at sales counters in airline terminals.

Charles J. Lowen of CAA has designated Paul F. Brabazon, president of Tele-Trip Policy Co., Inc., of New York, to head a special committee for the study and analysis of problems related to this field.

Gov. Proposes A&S for N. Y. Employees

Gov. Harriman has proposed that New York contribute to an A&S plan for state employees. He did not state how much it would cost the state, but his budget message provided a reserve of \$1.5 million for state contributions during the next fiscal year.

The suggestion included a plan for the civil service department to negotiate the insurance contract with private insurers subject to approval by a new health insurance board which would consist of the president of the civil service commission, the state controller, the commissioner of health and the superintendent of insurance. The governor said that the plan, when completed, might extend A&S coverage to retired state employees as well as present and future employees.

American Frontier Life, Holding Company, to Offer Common Stock

American Frontier Life and American Frontier Corp. of Tennessee have filed a statement with securities and exchange commission seeking registration of 175,000 shares of \$1 par class A common stock of American Frontier Corp. and 1 million shares of \$1 par common stock of American Frontier Life.

The 1 million shares of American Frontier Life will be purchased by American Frontier Corp., which was organized as a holding company. American Frontier Corp. will offer its shares for public sale at \$10 a share.

SHOW 1955 INSURANCE RESULTS

	1955 New Life	1954 New Life	1955 Life Ins. Increase in In Force	1954 Life Ins. Increase in In Force
	Ins. Bus. \$	Ins. Bus. \$	\$	\$
Connecticut General Life	783,738,041	818,482,259	1,010,470,514	623,121,915
John Hancock	2,100,577,320	1,979,910,738	1,554,848,958	1,185,724,758
Life & Casualty	270,997,742	243,603,954	100,855,478	100,290,804
Minnesota Mutual Life	295,620,666	324,631,682	199,486,872	236,176,271
Security Mutual Life	70,795,309	131,982,211	—1,856,727	118,053,797
Standard of Oregon	40,507,029	37,379,397	26,570,980	24,327,501
Union Central Life	285,423,627	269,173,289	204,865,700	177,081,612
United of Chicago	239,484,445	211,400,913	47,709,539	75,478,546
New business figures include the following amounts of revivals and increases for 1955 and 1954 respectively: \$29,731,580, \$14,664,770; \$358,111, \$1,044,117.				

of funds,
ations pe-
es. Under
they would
their ad-

g A&S in
n of adop-
approved

ident and
perinten-
ary. Mr.
d director
dividend,

office in
n in Sac-
izona ter-

ange pro-
companies
and the
on, it has
insurance
ured per-
This step
sibility of

condition
locations
hines and
rminals.
has des-
president
, of New
nittee for
blems re-

used that
A&S plan
not state
state, but
a reserve
tributions

plan for
o negoti-
h private
by a new
h would
civil ser-
ontroller,
and the
The gov-
en com-
verage to
as pres-

ding
n Stock
l Amer-
see have
ties and
g regis-
\$1 per
American
shares of
American

merican
ased by
ich was
company.
offer its
a share.



INTER-OCEAN IS IN THIS PICTURE

In insurance, opportunity also knocks at the nursery door, for the Juvenile market offers constantly expanding opportunities for those who cultivate it.

Factors including the country's increasing birth rate, the increasing protection written on children below 15 years of age, the coverage of additional millions of children in Hospital and Health & Accident family groups, and the fact that these children will become tomorrow's adult policyowners, assure an expanding market for all kinds of personal protection for years to come.

That's why Inter-Ocean is very much in the Juvenile insurance picture. Up to date coverages, coupled with modern, package selling aids make it easy for alert agents to reap long range rewards in this lucrative field.

PERSONAL PROTECTION SINCE 1903

INTER-OCEAN
INSURANCE COMPANY
CINCINNATI 2, OHIO



COMMERCIAL • WEEKLY PREMIUM • ORDINARY • GROUP

NEWS NOTE

from

FIDELITY

A WELL-BALANCED COMPANY

New Paid Business Sets Record

Outstanding performance by Fidelity's
Field produced a record high of over
\$104,000,000 new business in 1955.

Life Insurance in force \$930,000,000;
assets over \$308,000,000.



The
**FIDELITY MUTUAL
LIFE INSURANCE COMPANY**
THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

Mutual Trust

IS NOT RESTING ON
ITS LAURELS

Although its producers have long enjoyed the competitive advantages of:

- Low Net Costs
- Flexible Settlement Options
- Net Level Premium Reserves
- A Strong Surplus

Mutual Trust is continually improving its net cost position and introducing new and progressive contracts which have decided buyer appeal. There are still a few agency opportunities open for developing new territory and in replacing veterans who are retiring after long years of successful service.

Mutual Trust operates in:

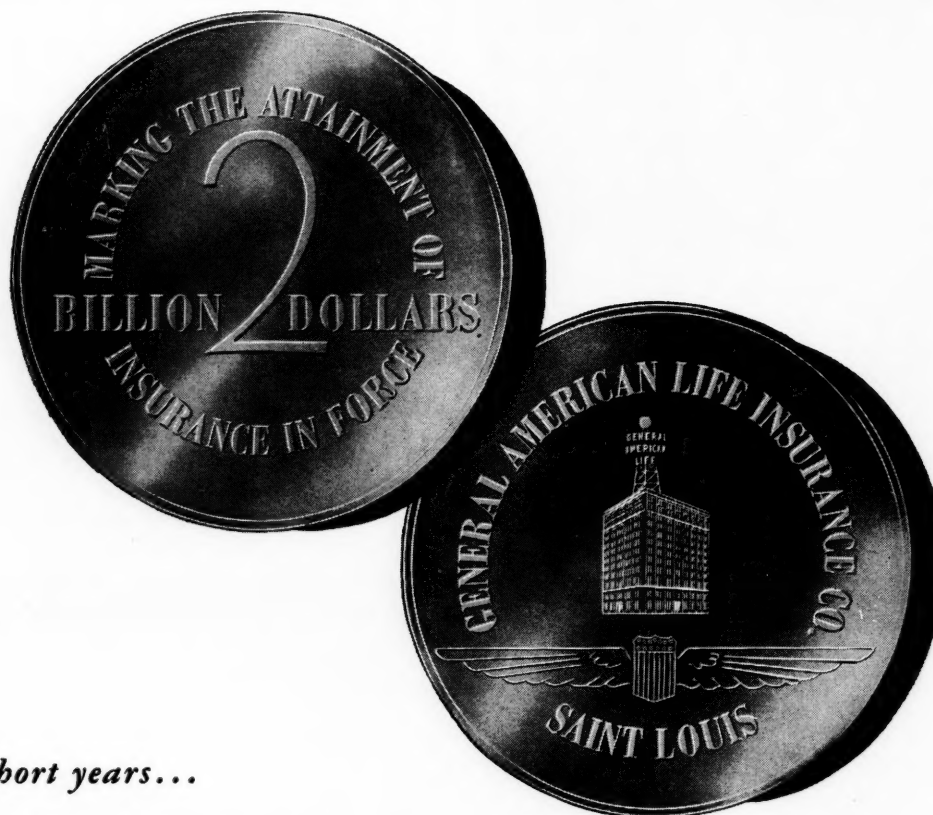
Cal., Conn., Ia., Ill., Ind., Mass., Me., Mich.,
Minn., N. H., N. J., N. Y., N. D., Ohio, Ore.,
Pa., R. I., Va., Wash., Wis.

PROFITABLE
GENERAL AGENCY
OPENINGS NOW
AVAILABLE

WRITE THE
AGENCY
SECRETARY

Mutual Trust
LIFE INSURANCE COMPANY
135 S. La Salle Street, Chicago

S Y M B O L O F A C H I E V E M E N T



In six short years...

Insurance in force has doubled at General American Life. With this growth General American Life now joins the nation's top thirty companies having 2 billion dollars or more insurance in force.

The increasing number of new agencies and the sound development of established agencies is building volume at a rate that makes General American Life one of the fastest growing companies in the entire insurance field. This is in large part the result of General American Life's rewarding agency contract known as LSF because it is in fact a Lifetime Security Franchise.

Now, reduced premiums in both ordinary and group insurance and continuing dividend performance add policy appeal for extra sales impact.

• For information write Frank Vesser, Vice-President

General American Life

one of the nation's leading mutual legal
reserve companies

SAINT LOUIS, MISSOURI